

## Written Statement Submitted by Steven Ray Stark

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This update won't be the typical update you've come to expect from me. Instead, this update is probably going to shock and probably disappoint you. Whatever your reactions, please read through the entire update as it's important to me that you understand where I've been this last year and where I'm headed in the future . . .

My training business involves preparing individuals for passing California's state insurance exam so that they can earn their insurance license. I've always loved developing training courses as it involves a great deal of creativity and it's probably one of the few things I'd say I'm good at doing. So life was great from my perspective, that is, up until about a year ago.

About a year ago my students started failing the state exam in droves. My life changed instantly over night. Instead of my students calling to tell me how much they loved me and loved my course because it helped them to pass their state exam, they were now calling me very upset and distraught because they had failed their exam. They said my company's course didn't prepare them for what they were experiencing on the state exam. My days were now filled with hateful phone calls from students telling me they wished they'd taken another course, that my course was outdated, etc. On top of that, the managers who refer their recruits to my company's training were letting me know they weren't very happy with the results their recruits were having with my course and threatened to take their business elsewhere.

I'd always felt responsible for my students' success and now I was feeling responsible for their failure. Let me put things in perspective by saying that the majority of the students that go through a prelicensing course, or at least mine, are in transition - that is they're in between jobs and trying to get their insurance license so they can start a new job. The rule is simple . . . No license, no money! The law is that an individual cannot sale insurance unless he has an insurance license from the California Department of Insurance. Most of these people being unemployed were desperate to get their insurance license so they could begin making sales to earn commissions. Their desperation would soon become my desperation and that's where my troubles began.

I thought to myself that if I could just take the state exam a few times to see what it was like and get a sense of what topics were being tested on that I might be able to make some updates to my course that would help the students familiarize themselves with pertinent information for the exam. The problem with this was that I was not eligible to sit for the state exam because I already had an insurance license. I'd always relied on my students' feedback to have a sense of what the exam questions were like and the

topics that were being tested on, but I was so worn down by the constant complaints from students and recruiting managers, that it got the best of me and I let my moral compass slip.

I signed up to take the state exam by entering a social security number that was slightly different than mine in order to 'fool' the system into letting me schedule an exam date with the state. In fact I ended up taking the exam several times to try and get a better sense of what was being test on.

As I was walking out of the exam site the last time I sat for the exam, I got a tap on the shoulder from a man that was an investigator for the California Department of Insurance. He said he wanted to talk with me and I knew at that moment things were not good. I'd been caught. He took me into a room where he began to ask me questions about my identity, the licenses I held, etc. After a few questions, my vision started to grow blurry and I could barely hear him talking over the sound of my heartbeat. I could barely function and had to excuse myself from the interview. I somehow made it to my car and then had to look forward to a two and a half hour drive home.

As I drove home all I could think about is how I'd ruined my life. Not only was I facing serious time in jail, but I'd probably lose my business and only source of income and, most import, my reputation would be ruined. I felt awful about what I'd let myself do. My moral compass had really diverged from the straight and narrow. I was now feeling like I was no better than the common criminal that was on the 6 o'clock news. In my mind, I'd become a total loser for what I'd done.

Over the next several days as I sat around, I magically hoped that somehow it would all just disappear. Now that's what you call wishful thinking! Of course, a couple months later I opened up my mailbox to find a letter from the San Diego District Attorney's office. I was being charged with 7 felonies and 7 misdemeanors. I was absolutely paralyzed at that point. I had not a clue what to do. After the initial shock wore off, I contacted an attorney and prepared for the inevitable.

Given the fact that nobody was really harmed as a result of what I did, the DA agreed to a misdemeanor charge if I agreed to have an article about what I did published in an industry publication. I thought I could write an article for some life insurance publication and nobody I knew would ever read it. But after contacting several different publications, nobody was interested in my story or having it published in their magazine.

After much soul searching, I decided I'd go public with my friends and family about what I'd done. Up to this point, nobody knew about it - not even my family! But I felt like I was carrying around the proverbial eight hundred pound gorilla. I had this big shameful

thing I was trying to hide and nobody to share it with. So I decided I'd do something better than a story for an article in a magazine that nobody would read or care about if they did. I wrote this story for you, my friends and family, to read. So now you know! My shame is public and I have nothing to hide from you anymore.

I feel as if I've been given a second chance. Things are definitely not a rosy picture in my life right now, but I'm not in jail and I feel like a new person now that my secret is out to all of you. This whole experience has definitely given me a new perspective and humbled me. I hope if any of you are tempted to let your moral compass 'get off track,' that you'll remember my story.

While I won't have to go to jail, the experience has had some devastating consequences. I was forced to sell my business and only source of income as a result of what I did. Without my income from my business, I had to get rid of my home and many of my personal possessions. And sadly, now that I have a conviction on my record, it's all but impossible to get a job. Furthermore, I'll soon lose my health insurance because I can no longer afford the \$700 monthly premium. I was able to use the money from the sale of my business to buy an old used motorhome in which I'm now living on some land owned by some friends of mine. But with no money for gas or anything else, I'm stuck where I am with no prospects in sight.

So please learn from my unfortunate lesson, that there are consequences to what we do and that it's always important that we remember to do the right thing.

I hope you won't hold this against me and understand that I'm just a normal guy who made some bad choices while under pressure. I'm very sorry for what I did and hope that I'm one day able to completely put it in the past, but for now I have to live with the mistakes I made and the consequences of those mistakes. While things are pretty grim right now, I'm hopeful to what the future holds and will look forward to providing you updates from time to time as I begin the process of rebuilding my life.