

STATE OF WASHINGTON

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MIKE KREIDLER
STATE INSURANCE COMMISSIONER



FILED

OFFICE OF
INSURANCE COMMISSIONER

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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:)	
)	No. 07-0350
JOHN A. HANLEY, dba JURISCO)	
)	ORDER ON MOTION
Licensee.)	FOR CONTINUANCE
_____)	

TO: Michael S. DeLeo, Esq.
Eisenhower & Carlson, PLLC
1200 Wells Fargo Plaza
1201 Pacific Avenue
Tacoma, Wa 98402

John A. Hanley, d/b/a Jurisco
P.O. Box 53265
Bellevue, Wa 98015

COPY TO: Mike Kreidler, Insurance Commissioner
Mike Watson, Chief Deputy Insurance Commissioner
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Alan Singer, Staff Attorney, Legal Affairs Division
John F. Hamje, Deputy Commissioner, Consumer Protection Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

On July 8, 2009, John Hanley d/b/a Jurisco (Licensee), by and through Michael S. DeLeo, Esq., of Eisenhower & Carlson, PLLC of Seattle, filed John Hanley d/b/a Jurisco's Motion to Continue Hearing for at least 90 days, asserting and arguing, briefly, that the settlement proposal by the OIC and accepted by Licensee required significant



work by the Licensee unrelated to this dispute, that the Insurance Commissioner (OIC) reneged on the settlement agreement the parties had in place and that, therefore now, the Licensee's attorney, Mr. DeLeo, is unable to prepare for the July 20, 2009 hearing. The Licensee further argues that although the OIC's Order of Stay pending entry of final order on hearing, no harm would arise as a result of a further continuance. The OIC filed its Opposition to Licensee's Motion to Continue Hearing, asserting and arguing, briefly, that the undersigned had already granted the parties two continuances, that the Licensee and the OIC never had a firm settlement agreement, that the Licensee's attorney has had nearly one year to prepare his case, that significant harm could arise as a result of further delay of the hearing date, and that the Licensee fails to demonstrate good cause to justify his request for further continuance.

BACKGROUND OF PROCEEDING

On August 15, 2008, the Insurance Commissioner (OIC) entered an Order Revoking License against Licensee, setting forth numerous significant allegations against him. On August 22, Mr. DeLeo filed his Notice of Appearance representing the Licensee, on September 2, 2008, the Licensee, by and through Mr. DeLeo, filed a Demand for Hearing, thereby staying the OIC's action against the Licensee. As recited in Notice of Hearing entered by the undersigned on October 15, the undersigned held a prehearing conference on September 30, 2008, to review procedure to be expected at hearing and address all issues raised by the parties, and the parties agreed that the hearing should commence on February 9, and the undersigned confirmed that the parties understood that the Order Revoking License was stayed until entry of final order after hearing.

Subsequently, the OIC requested a second prehearing conference which was held on January 28, 2009. Therein, the parties jointly requested a continuance of the hearing date, based upon their assertion that they were attempting to reach a settlement agreement in the matter. Specifically, the OIC, by and through Michael Alan Singer, Staff Attorney with the OIC who has represented the OIC in this matter since the outset including all prehearing conferences, advised: *Mr. DeLeo and I have been talking about trying to see if the parties can reach an agreement to resolve the matter, and I have received some authorization to explore that with Mr. DeLeo and would like to have the opportunity to do that and thought it would make sense to ask for a delay in the hearing date and I hope I haven't misstated that, Mike, but I think that is what we talked about.*

Mr. DeLeo, who has represented the Licensee in this matter since the outset including all prehearing conferences, replied, *I agree.* Mr. Singer continued, *We need to talk about the points we agree with, reduce it to writing, share it with each other, I'll need to share it with my supervisor and people at the OIC to see whether that's something that they would agree with, and then present it to Your Honor and try to resolve the case....Mr. DeLeo did say if we did go to hearing he wanted to ... maybe 60 days.* Mr. DeLeo replied, *I'm fine with 60 days, but Alan, if for some reason you want to shorten it up, less than 60 days to the hearing, I would try to work with you on that.* Both parties agreed to

a "60 day continuance with the right of OIC and Licensee to shorten that time to a hearing if the settlement negotiations are not productive." The parties reflected that the Licensee had requested, and received by public disclosure request, all of the very large amount of documents the Licensee had requested, i.e. every record that pertains to the Order Revoking License. The parties requested that the hearing date be continued 60 days, with Mr. DeLeo requesting that it not be scheduled during his children's spring break (week of April 10), and agreed that the hearing should commence on April 15.

On March 27, 2009, the parties jointly asked for a third prehearing conference to jointly request a second continuance of the hearing. Mr. Singer advised: *What we've done in the past few months is talked about what kinds of things might be appropriate conditions and terms and we've had discussions about this and gotten fairly far along actually in the process of drafting what would be a Stipulation and Order as well as a compliance plan that we would be further discussing. Again Mr. DeLeo and myself have had extensive conversations and I believe that we're tracking with something that might well result in resolution. The steps that need to be taken are that the agency needs to approve this proposal [emphasis added] and Mr. DeLeo and his client need to of course approve the proposal [emphasis added] and we need to submit it to the agency ultimately for its approval. I had hoped that we would have the agency – through its compliance committee – grant its approval or not [emphasis added] consider it in April but it looks like the May date is the one we're going to have to aim for. But we've come a long way and used this time well, I think, and Mr. DeLeo and I have been talking about this and it looks like we might well be on track to resolve this and proposing something to Your Honor, along the lines of some time soon after the May date. Now alternatively if it doesn't work we would be prepared to go to hearing. [Emphasis added.] I believe we've talked about a date in June. We'd ask Your Honor to please allow us an additional period of time somewhere around June to address this and we're grateful again for your indulgence.* The undersigned asked Mr. DeLeo: "Mr. DeLeo, is this your position as well?" Mr. DeLeo responded: *Yes, Your Honor. I believe we've made good progress, all the points raised by the OIC as far as the terms of resolution I believe are agreeable to my client in principal. [Emphasis added.] We have not seen anything yet in writing – I shouldn't say that, I did get an email with a list of information earlier this week from Mr. Singer. But we haven't seen the actual agreement in writing yet. But there is nothing that OIC has raised that is objectionable. Obviously the devil's in the details so we need time to work that out once we receive it.* Mr. DeLeo mentioned that the hearing date should be after the OIC's enforcement committee meeting date of May 20 although he advised that *I do not know how much work is going to be required after that. Like I say, I have not seen anything in writing yet.* Mr. DeLeo proposed a date in June, but the undersigned allowed more time for preparation; when the undersigned inquired whether a July 8 date would be acceptable to him, Mr. DeLeo responded, *that would be fine for me.* The undersigned advised that should they execute a settlement agreement before that hearing date, to contact Wendy and the undersigned would enter an Order Terminating Proceeding and that the July 8 hearing would of course not then be necessary. Based upon this agreement of the parties, on March 31 the undersigned entered a Second Order of Continuance, reflecting therein that continuance was based upon the fact that Mr.

Singer, representing the OIC, advised her that, *the parties were making some progress in negotiations which may result in settlement of this matter.... That John A. Hanley d/b/a Jurisco, appearing by and through his attorney, Michael DeLeo, agreed to this request for a continuance and confirmed that the parties were engaged in negotiations and that a settlement might be able to be reached.* The Licensee made no objection to the wording therein – which reflected the clear statements of the parties during third prehearing conference - that the parties were still trying to reach terms of a settlement agreement.

LICENSEE'S MOTION FOR CONTINUANCE

On June 4, 2009, at the request of the Licensee, the undersigned held a fourth prehearing conference. Therein, the Licensee, by and through Mr. DeLeo, asserted that 1) the Licensee and OIC had entered into a settlement agreement, but the OIC reneged on this agreement, and requested the undersigned to require the OIC to comply with the agreement; 2) that if the undersigned did not require the OIC to comply, that she grant and Licensee a continuance of the July 8 hearing because Mr. DeLeo did not have adequate time to prepare his case. In her Order entered June 24, 2009, the undersigned ruled that 1) based upon the presentation of both parties during second and third prehearing conference specifically concerning going to hearing should settlement discussions break down/the OIC management determine not to approve any proposed settlement/the terms of settlement not be acceptable to Licensee/any other occurrences and the fact that there was nothing in writing even concerning agreement upon some terms of settlement, there was no settlement agreement to enforce; and that 2) while the Licensee was expected to have been preparing his case during settlement discussions realizing that these discussions clearly were tentative, not approved, and the parties specifically agreed on a hearing date, she would continue the hearing until July 20 to allow the Licensee an additional 12 days to prepare.

Although the undersigned had continued the hearing until July 20, 2009 to accommodate the Licensee, on July 6, the Licensee filed this Motion to Continue Hearing, and on July 8, the parties presented oral argument thereon. The Licensee argued, once again, that there was a settlement agreement between the parties upon which the OIC reneged, thereby misleading the Licensee into not preparing for the hearing, and that he could not possibly prepare for the hearing in the next few weeks. In response, as ruled in the June 24, 2009 Order, Mr. DeLeo has been the Licensee's only attorney and has known about and worked with this case since at least August 22, 2008, and many months ago requested and received voluminous documents from the OIC many of which were and presumably still are, indeed, actually in Mr. Hanley's possession for some years prior to that time.

Based upon the information known to the parties during past prehearing conferences and cited above, the parties knew or should have known that there was no settlement agreement upon which they could rely, and were expected to have prepared their cases at least by the hearing date upon which they agreed. Further, the Licensee requested,

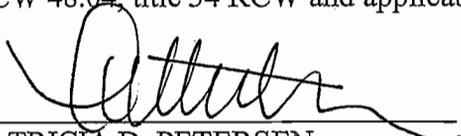
agreed upon, and has known about the July 8 hearing date since March 27, 2009, and actually received an additional 12 days, until July 20, in response to his most recent June 4, 2009, request for a continuance. Finally, it does appear from a review of the file herein, that harm to the public might occur should the hearing date be continued once again.

ORDER

Based upon the above activity, and for lack of good cause shown,

IT IS HEREBY ORDERED that the hearing scheduled in this matter shall remain as scheduled, commencing at **10 a.m. on Monday, July 20, 2009**, in the Office of the Insurance Commissioner, 5000 Capitol Blvd., Tumwater, Washington, and shall continue on succeeding days until terminated.

ENTERED AT TUMWATER, WASHINGTON, this 8th day of July, 2009, pursuant to RCW 48.04, title 34 RCW and applicable regulations.



PATRICIA D. PETERSEN
Chief Hearing Officer
Presiding Officer

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through routine office mailing procedures, to the addresses listed above, a true copy of this document to Michael DeLeo, John Hanley, dba Jurisco, Mike Kreidler, Mike Watson, Carol Sureau, Alan Singer, and John Hamje. Also as requested I electronically mailed this document to Alan Singer and Michael DeLeo on July 8, 2009.

DATED this 8th day of July, 2009.



WENDY GALLOWAY