

To whom it may concern,

Please be advised that I wish to contest the enclosed notice regarding my license using option 2. Please respond with further instructions to my updated address: 1342 N Harmon St Tacoma, Wa. 98406

Thank you



Michel James

3/7/2011
DIO
POLICE DEPARTMENT
CHIEF TRAINING OFFICER
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MAR 14 2011

INSURANCE COMMISSIONER
LEGAL AFFAIRS DIVISION

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

Phone: (360) 725-7000
www.insurance.wa.gov



RECEIVED
MAR 14 2011

INSURANCE COMMISSIONER
LEGAL AFFAIRS DIVISION

In The Matter of

MICHAEL A. JAMES,

Licensee.

NO. 11-0029

ORDER REVOKING LICENSE

To: Michael A. James
6611 Chambers Creek Rd. W.
Tacoma, WA 98467

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your Washington State insurance producer license is **REVOKED**, effective March 15, 2011, pursuant to RCW 48.17.530.

THIS ORDER IS BASED ON THE FOLLOWING:

1. Michael A. James holds a Washington resident insurance producer's license for the lines of life, disability, property, and casualty insurance.
2. Mr. James is a former appointed agent of several State Farm affiliated insurance companies which companies are hereinafter referred to collectively as "State Farm."
3. In March 2009, State Farm reported to the OIC that it had audited Mr. James' fiduciary premium trust fund account, which audit reflected that the State of Washington Department of Revenue garnished funds from Mr. James from the State Farm premium trust account during April and July 2008 resulting in shortages within the account of \$9,424 from April through October 2008.
4. Mr. James acknowledged to State Farm's auditors that he deposited policyholders' checks for State Farm premium payments into his business account because the account was in his name doing business as "State Farm Insurance."
5. State Farm's audit of Mr. James' business account uncovered forty-two checks for premium payable to State Farm in the total amount of \$24,370.57 that Mr. James had deposited into his business account rather than into his premium trust account. Checks were written by Mr. James from this account to the State Farm premium trust account to replace some, but not all, of this diverted premium, although Mr. James took an average of 41 days to write the checks and in one case took almost six months to apply the money to the policy.

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6. State Farm's audit of Mr. James' accounts showed five policy holder premium checks deposited into Mr. James business account that could not be traced back to any policy, eleven policyholder premium checks deposited into the business account for which no checks were written by Mr. James and deposited back into the State Farm premium trust account to be applied to the policies, and eight additional policyholders' checks that were deposited into Mr. James' business account where the funds were not applied, or only a partial payment, was applied from the business account to the State Farm Trust fund and to the policies.

7. The premium funds deposited in Mr. James' business account that were not applied to policies is approximately \$11,444.

8. By failing to promptly pay insurance premiums received in a fiduciary capacity to the parties entitled thereto and by converting the funds to his own use, the Licensee violated RCW 48.17.530(1)(d), RCW 48.17.480, RCW 48.17.600, and WAC 284-12-080.

9. By collecting sums as premium for insurance which was not provided and by failing to return sums collected as premium for insurance in excess of the amount actually expended for the insurance, the Licensee violated RCW 48.30.190.

10. Pursuant to RCW 48.17.530, the Commissioner may revoke the license of any insurance producer for violating insurance laws or rules, improperly withholding, misappropriating or converting money received in the course of doing insurance business, or demonstrating incompetence, untrustworthiness, or financial irresponsibility.

By reason of his conduct and violations of the Insurance Code and implementing regulations, Licensee, Michael A. James, has shown himself to be, and is so deemed by the Commissioner, untrustworthy and a source of injury and loss to the public and not qualified to be an insurance producer in the State of Washington. Accordingly, the license of Michael A. James is revoked pursuant to RCW 48.17.530 effective March 15, 2011.

IT IS FURTHER ORDERED that you return your insurance producer license certificate to the Commissioner on or before the effective date of the revocation of your license, as required by RCW 48.17.530(4).

NOTICE OF YOUR RIGHT TO A HEARING

You have the right to demand a hearing to contest this Order. During this hearing, you can

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present your argument that the Order should not have been entered for legal and/or factual reasons and/or to explain the circumstances surrounding the activities which are the subject of this Order. You may be represented by an attorney if you wish, although in some hearings before this agency parties do choose to represent themselves without an attorney.

Your demand for hearing should be sent to Office of the Insurance Commissioner, attention Patricia D. Petersen, Chief Hearing Officer, Hearings Unit, P.O. Box 40255, Olympia, WA 98504-0255, and must briefly state how you are harmed by this Order and why you disagree with it. You will then be notified both by telephone and in writing of the time and place of your hearing. If you have questions concerning filing a Demand for Hearing or the hearing process, please telephone the Hearings Unit, Office of the Insurance Commissioner, at 360/725-7002.

Your Demand for Hearing must be made within 90 days after the date of this Order, which is the date of mailing, or your Demand will be invalid and this Order will stand. If your Demand for Hearing is received before the effective date of this Order, the penalties contained in the Order will be stayed (postponed) until after your hearing.

It is important to know that if you demand a hearing, you will have two options for how it will be handled:

Option 1: Unless you specifically request Option 2, your hearing will be presided over by an administrative law judge from the Office of the Insurance Commissioner. Under this option, upon receipt of your Demand for Hearing, the Insurance Commissioner may refer the case to an administrative law judge. The administrative law judge is an individual who has not had any involvement with this case. The administrative law judge will hear and make the final decision in the case without any communication, input or review by the Insurance Commissioner or staff or any other individual who has knowledge of the case. This administrative law judge's final decision may uphold or reverse the Commissioner's action or may instead impose any penalties which are less than those contained in the Order.

Option 2: If you elect, your hearing will be presided over by an administrative law judge from the Office of Administrative Hearings. That administrative law judge will issue an initial or recommended decision which will then be sent to the Insurance Commissioner. The Insurance Commissioner, or his designee, will review the initial decision and make the final decision. The Insurance Commissioner's final decision in the case may uphold, reverse or modify the initial decision, thereby changing the penalty which is recommended in the initial decision. In writing the final decision, the Insurance Commissioner is not bound by the findings of facts or

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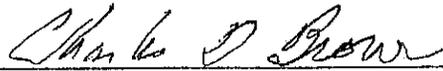
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conclusions of law which were made in the initial decision.

ENTERED AT TUMWATER, WASHINGTON, this 25th day of February, 2011.

MIKE KREIDLER
Insurance Commissioner

By



Charles D. Brown
Charles D. Brown
OIC Staff Attorney

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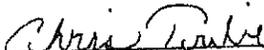
CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the State of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing ORDER REVOKING LICENSE on the following individuals via US Mail.

Michael A. James
6611 Chambers Creek Rd. W.
Tacoma, WA 98467

SIGNED this 15th day of February, 2011, at Tumwater, Washington.


Chris Tribe