

FILED

8/31/2011

2011 OCT 25 P 1:07

Office of the Insurance Commissioner

Attn: Marcia Stickler

P.O. Box 40255

Olympia, WA 98504-0255

RE: No. 11-0178

Herrington, L.L.W.C.  
Patricia D. Peterson  
Chief Hearing Officer

Dear Marcia,

I am writing this letter in hopes of explaining the situation that led up to my use of the signature stamp and subsequent receipt of commissions on insurance sold in WA early 2005. I am not in any way trying to justify my actions but only state what was true at the time of the events. I am truly sorry for the confusion this has caused and the following need for investigation by your office. I hope to clear things up and resume a fine working relationship with the state of WA and the OIC.

I was the President of a small agency called AIS or American Insurance Solutions operating in Vancouver WA. The CEO was David Kilpatrick. His step father was James Cooper. Under the normal course of business I brought contracts with insurance companies to the table and David Kilpatrick did likewise. We had established commission levels and payouts that we would get as officers of the company and a different schedule for the agents. My contract with American national was at one level and I was made aware that if we applied for a second contract that we could get a slightly higher rate of commissions. This was not a decision that was motivated by greed in any way. We felt it was simply an extra offering for doing good business for the company. Therefore David, Mr. Cooper and I decided to apply for a second contract with American National in Mr. Cooper's name but to put an assignment of commissions to me since I was in charge and control of the American National Business for our firm.

Since I was the one conducting the business and Mr. Cooper could not be at all the appointments we had a rubber stamp made up so that it would be more convenient on all of us. It certainly wasn't locked up and I did not steal it. Looking back on this now with hindsight I can see very clearly that this was not the way to do business. It created confusion and was not the best way to handle things.

Regrettably after my decision to leave AIS there was some bad blood between myself and David Kilpatrick. It is my belief that he urged Mr. Cooper to file a complaint and make some pretty wild accusations against me. All in an attempt to get me in legal trouble or cause disciplinary action by the OIC. He also accused me of check fraud, embezzlement, theft and several other things and turned me in

to the local police. Clark County investigated and dismissed ALL the charges finding no evidence to support any of his claims and after his repeated attempts to accuse me they dismissed him as making frivolous claims.

At this point I left the state and moved to AZ since I had business activities there already and had been operation on a non resident license. I had to cancel my WA residence license and get a new AZ resident license. I have lived there since. I have also obtained licenses in TX, NV, CO, MT, KY and CA since then. (I have since let KY, TX and NV expire) I have spotless records with each of those states and have had zero complaints or actions against me. I am still actively in the business and was just planning to ask for a renewal of my WA license when I received this Order. I was shocked. This would definitely aggrieve me and my family from the loss of income and business potential that I have been pursuing. I have been speaking to existing clients and some referrals and am planning to do business again in WA. The service I might provide for these folks would be greatly hindered as well if I am unable to re-obtain my license there in WA.

I am humbly requesting that you reconsider the order to not renew my license. I would even agree to a probationary license of some form if you saw fit to impose that. I am confident that I am doing everything in my power to do good and honest business in all of the states I am licensed, and that my relationship with WA and the OIC will be fruitful and beneficial to us both.

P.S. I have no idea if it has any bearing on the case at hand but Mr. Cooper has since deceased and David Kilpatrick has fled the United states to avoid an SEC investigation for his selling securities without a license. He resides in the Philippines currently. I know this because he has been suing me for the last 6 years at a civil suit level.

Sincerely,

Rick Clatfelter

24609 S. 211<sup>th</sup> Pl

Queen Creek AZ 85142



**ABSOLUTE ASSIGNMENT OF COMMISSIONS**

CITY OF Vancouver  
COUNTY OF Clark  
STATE OF Washington

For good and valuable consideration, receipt of which is hereby acknowledged, I hereby sell, assign and transfer unto Rick Clatfelter (Assignee), absolutely and irrevocably, all my right, title and interest in and to any and all first year and renewal commissions now due or which may in the future become due to me, under the terms and provisions of a certain Agency Contract entered into between American National Insurance Company and me, dated 3-10-05, and any and all prior and supplemental contracts, if any.

American National Insurance Company is hereby irrevocably authorized and empowered to pay over to the said Rick Clatfelter (Assignee) any and all first year or renewal commissions which are now due or which may become due under said contracts.

It is expressly agreed by and between the undersigned and the said assignee that this agreement is made subject to and shall be subordinated to any and all indebtedness by me to the said American National Insurance Company, previously or hereafter incurred. And it shall be subject to all terms and provisions of said written Agency Contracts and other contracts which are hereby referred to and made a part hereof; and said assignee evidences his (its) agreement thereto by acceptance of this assignment.

It is understood and agreed that by giving its consent to the making of this assignment, American National Insurance Company does not thereby guarantee its validity.

IN WITNESS WHEREOF, I have hereunto set my hand this 10 day of March, 05

WITNESS  
James Cooper  
[Signature]

[Signature]  
PC # / Social Security # [Redacted]

**ACCEPTANCE OF ASSIGNMENT:**

Rick Clatfelter  
(Assignee)

[Redacted]  
Social Security # (Assignee)

**CONSENT TO THE ASSIGNMENT  
AMERICAN NATIONAL INSURANCE COMPANY**

BY: \_\_\_\_\_

**FOR YOUR OWN PROTECTION ALL PARTIES MUST SIGN EACH COPY OF THIS FORM AS AN ORIGINAL**

TLO  
3/10/05

To whom this may concern:

10/20/2011  
FILED

re: Character statement on behalf of Rick Clatfelter.

I have known Rick for several years, and have worked along side of him for a few of those years in the field of insurance while at American Benefits Group in Vancouver, Washington.

Insurance, like any other product or service provider, relies on a strong connection to people and community. This means in effect enjoying the opportunity to be a servant leader. Insurance as we know it cannot be sold it must be purchased by an interested party. This comes through either personal education and exploration or communication from someone licensed to offer information about the benefits of insurance products.

Because of the many insurance product nuances, there needs to be a level of trust and vulnerability on behalf of agent and customer when discussing the products along side customer wants and needs; I guess I might call this 'skin-in-the-game' from both sides. If done correctly, in my opinion, it needs to resemble a teacher student mindset. This platform of education and discovery on behalf of a customer and the responsibility to offer benefit and comfort to a customer is why I entered the field of insurance and why I sought appointment in Rick's agency.

Being new to insurance I wanted a mentor that not only understood insurance product and protocol, I wanted to be appointed to an agency that was not captive to a limited portfolio of products; Rick's agency provided both. I have had many insurance agents approach me over the years to formulate a custom plan for me and my family with products designed to meet my personal requirements; finding out later that their 'custom plan' was restricted to the small cache of products their particular company offered; I felt this to be a bit misleading. I did not want to fall into this restrictive environment or mindset; I wanted the opportunity to select from a large portfolio of products to truly make as custom a plan as possible to meet the needs of my clientele.

As a new agent I was able to benefit from his partnership with many insurance providers under an agency appointment. This meant all product sales went through the agency as opposed to through me personally; commissions went through the agency as well. I trusted Rick's business acumen in making this a favorable environment for agent and customer, I was not disappointed.

I have always felt that Rick operates under a very open and transparent relationship with customer and company. Many say this vulnerability has no place in today's business environment; I quite disagree. Building relationships is paramount in the field of insurance if one ever hopes to maintain longevity. Rick applied this mindset amongst all agents within the agency as well. There was an open door policy on industry information, education, mentorship and customer acquisition assistance.

I have never known Rick to violate relationships or knowingly put at risk insurers, agents or clientele.

I declare under penalty of perjury under the laws of the state of Washington that the forgoing is true and correct.



Allan Wich

Signed at: Gresham, Oregon on October 21, 2011