



12. Declaration of Laura Shore
13. March 1, 2011 e-mail from Debbie Cooper of Allstate
14. May 18, 2011 Memorandum of Interview of consumer Luninging Murro

Respectfully Submitted this 14 day of October, 2011.

MIKE KREIDLER  
Insurance Commissioner

By



Robin E. Aronson  
Staff Attorney – Legal Affairs





OFFICE OF  
INSURANCE COMMISSIONER

*In The Matter of*

Francis Suarez,

Licensee.

ORDER NO. 11-0187  
NPN 682284  
WAOIC 68464

ORDER REVOKING LICENSE

To: Francis Suarez  
12050 15<sup>th</sup> Avenue NE; Suite C-1  
Seattle, WA 98125

**IT IS ORDERED AND YOU ARE HEREBY NOTIFIED** that your Washington State insurance producer license is **REVOKED**, effective September 2, 2011, pursuant to RCW 48.17.530 and RCW 48.17.540(2).

**THIS ORDER IS BASED ON THE FOLLOWING:**

1. Francis Suarez holds a Washington resident insurance producer's license.
2. In January 2010 Francis Suarez was an appointed agent with Allstate Insurance. At that time, customer files belonging to Mr. Suarez's agency which contained personal identification information and protected health information attributable to over 200 customers, of which 11 were the clients of Mr. Suarez, were improperly disposed of and found by a citizen outside of property owned by Francis Suarez. Francis Suarez did not maintain and follow specific procedures to ensure personal information was stored and disposed of in a confidential manner.
3. In 2010 Francis Suarez sold at least 40 flood insurance policies to customers whereby he personally paid for the first year's premium to induce the customer to purchase the insurance.

4. By disclosing nonpublic personal health information about a consumer or customer without an authorization, Francis Suarez violated WAC 284-04-505. By failing to develop and implement written policies, standards and procedures for the management of health information, to guard against the use or disclosure of nonpublic health information by the licensee, Francis Suarez violated WAC 284-04-500.

5. By offering as an inducement to insurance any rebate, discount, abatement, or reduction of premium, Francis Suarez violated RCW 48.30.140(1).

6. Pursuant to RCW 48.17.530(b) and (h), the Commissioner may revoke the license of any insurance producer for violating any insurance laws or for conduct demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere.

**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). Return your license to: Licensing Manager, Office of the Insurance Commissioner, P O Box 40257, Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this 15 day of August, 2011.

MIKE KREIDLER  
Insurance Commissioner

By:   
\_\_\_\_\_  
Robin E. Aronson  
OIC Staff Attorney

**NOTICE OF YOUR RIGHT TO A HEARING**

If you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify the reasons why you think this Order should be changed. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to:

Office of the Insurance Commissioner  
Attention Patricia D. Petersen, Chief Hearing Officer  
Hearings Unit  
P.O. Box 40255  
Olympia, WA 98504-0255

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 individual via US Mail.

Francis Suarez  
12050 15<sup>th</sup> Avenue NE; Suite C-1  
Seattle, WA 98125

**SIGNED** this 15<sup>th</sup> day of August, 2011, at Tumwater, Washington.

  
\_\_\_\_\_  
Renee Molnes





**Allstate.**

You're in good hands.

October 11, 2010

WA Office of the Commissioner  
Attn: Producer Licensing  
5000 Capitol Boulevard  
Tumwater, WA 98501

**RECEIVED**

**OCT 18 2010**

Investigations & Enforcement

Re: **Termination For Cause**  
**Resident Producer:** Francis E Suarez  
**License Number:** 68464  
**NPN Number:** 682284

To Whom It May Concern:

The producer referenced above has been terminated for cause from the following Allstate companies:

- Allstate Fire and Casualty Insurance Company
- Allstate Indemnity Company
- Allstate Insurance Company
- Allstate Life Insurance Company
- Allstate Property & Casualty Insurance Company
- Lincoln Benefit Life Company

The for cause reason is due to failure to maintain confidentiality of customer's personal info. Please contact the following regarding any questions or supporting documentation:

Sara Coss  
18911 N Creek Pkwy Ste 301  
Bothell, WA 98011  
Phone: (425) 489-5565  
Email: scoss@allstate.com

Sincerely,

Chris Reetz  
Division Manager

Cc: Sara Coss  
Francis Suarez

Allstate Insurance Company  
Licensing & Appointing COE

2940 S. 84<sup>th</sup> Street Lincoln, NE 68506 phone: (866) 525-2799 ext. 58460 fax: (877) 358-1278 email: appcdpt@allstate.com



Date: March 16, 2010  
To: Larry Wenneborg  
Regional Sales Leader  
Subject: H. R. Investigation – Francis Suarez Insurance Agency Inc  
Copy To: M. Lee, K. Barger, D. Cooper

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Larry,

Local HR initiated an investigation of the Francis Suarez Agency after the Lake Stevens Police Department notified Inside Sales Leader Gail Welfringer of unsecured Allstate customer paper files that were found abandoned on the property of recently closed Highway 9 Casino. Welfringer then notified Local HR who learned that Suarez was a part-owner of the casino. The files were discovered to have belonged to Suarez's agency as well as to former EA Marco Tanuyan, who after terminating his agreement with Allstate, worked as a support staff for Suarez. The files contained Personally Identifiable Information and Protected Health Information of approximately 200 current and former Allstate customers. Thus it was suspected that the Francis Suarez Agency might have violated his agency agreement.

Based on the facts of the investigation, it appears Suarez has violated his agency agreement by:

- Improperly disposing of Allstate consumer Personal Identifiable Information and Protected Health Information that may lead to adversely impacting those consumers and irreparable damage to the Company brand.

Therefore, HR is recommending the termination of Suarez's agency agreement.

Should you have any questions, please give me a call at 425-489-5565.

Best Regards,

Sara Coss  
HR MOC Consultant





**Memorandum of Interview**

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**Date:** January 3, 2011

**OIC Case #:** 1044742

**Name /Address of Person Interviewed:** Sara Coss, Allstate  
425-489-5565

**Investigator Conducting Interview:** Cheryl Penn

**Others Present During Interview:** N/A

**Location of Interview:** via telephone at 425-489-5565

**Interview Audio Recorded:** No

**Declaration Prepared:** No

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On the above date witness Sara Coss was interviewed via the telephone. Ms. Coss stated:

Francis Suarez owned the Silver Lake Casino in Lake Stevens. He abandoned the casino. A bag of Allstate client files was found on the casino property. The files were in bad condition; covered with dirt, mold and bugs. The files have since been shredded and she is not sure exactly what documents she can provide. All identified clients were notified that their identities had been compromised.

It is true that a portion of the client files belonged to former Allstate agent Marco Tanuyan, but when Mr. Tanuyan left Allstate, Francis Suarez took over some of his book of business. The remainder of Mr. Tanuyan's book of business was distributed to other Allstate agents.

When she interviewed Francis Suarez, he didn't know what constituted confidential information. He admitted that he had no safeguards in place to protect client files – no locking file cabinet. He also admitted that he occasionally took files from his office to the casino.

At least two of the applications found in the bag bore Suarez's signature as the agent.

She has a template of documents found and will provide it to the OIC.

Additional conversation on January 4, 2011:

The spreadsheet she provided contains information on 11 clients that could be tied back to the Suarez Agency. Of those 11 clients, private health information was disclosed on the applications for 7 clients; and social security numbers, driver's license numbers and dates of birth were disclosed on applications for 7 clients. There were incomplete applications for four clients – no private information was disclosed on those four. Names and addresses of all 11 clients were on the paperwork.

She heard that Francis Suarez was in the Philippines, but would be returning to Washington.

Additional conversation on January 5, 2011:

Sara Coss stated that the applications that were found in the bag were submitted by Francis G. Suarez Insurance, Inc., but the applications bore Francis Suarez's signature. She said that the agency is still appointed to represent the Allstate companies because Mr. Suarez sold the agency to Joel Calvert. Ms. Coss was not aware of how many flood insurance policies Mr. Suarez issued and paid premium on, but she agreed to find out.



## **Penn, Cheryl (OIC)**

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**From:** Coss, Sara [scoss@allstate.com]  
**Sent:** Tuesday, January 04, 2011 10:22 AM  
**To:** Penn, Cheryl (OIC)  
**Subject:** Francis Suarez  
**Attachments:** SOI F Suarez.doc; Privacy Incident Jan 2010.xls; Corporate Security Referral - EA Francis Suarez.rtf; Suarez Closing Memo.DOC

**Importance:** High

Cheryl,

Per our conversation yesterday and my voicemail this morning, I am attaching the following documents to support the termination of Francis Suarez Allstate agreement:

- 1) Spreadsheet detailing the names and types of PII and PHI that were found in the dumpster near the casino Francis Suarez owned. The light green highlights indicate the life insurance policies that were directly tied to Francis Suarez's agency.
- 2) The Summary of Investigation <<SOI F Suarez.doc>> <<Privacy Incident Jan 2010.xls>>

A second issue occurred in the Francis Suarez agency in January, 2010 in which Suarez admitted to illegal rebating. In this case, Suarez paid for multiple flood policies for customers without their approval. The following documents are attached for your review:

- 1) Email to Corporate Security from our regional office requesting the matter be investigated by our Corporate Office. << Corporate Security Referral - EA Francis Suarez.rtf>>
- 2) Letter from Corporate Security indicating they are closing the case, as Suarez was involuntarily terminated prior to the opportunity to investigate this issue. <<Suarez Closing Memo.DOC>>

Please let me know if you have any questions or need additional documentation.

Regards,

**Sara Coss, SPHR**

HR MOC Consultant

Northwest Region

**Allstate Insurance**

18911 N Creek Pkwy, #301

Bothell, WA 98011

Phone: 425.489.5565

Fax: 425.489.5274

## Summary of Investigation Francis Suarez Agency

January 27, 2010

**Agent Name:** Francis Suarez  
**EA Agreement:** R3001C  
**Affiliation Date:** July 16, 1990  
**Contract Date:** October 1, 2002

**Interviewees:**  
Francis Suarez, EA

**HR Interviewer:** Sara Coss, HR MOC Consultant  
**Witness(s) of Interview:** Gail Welfringer, Inside Sales Leader  
Tape recorded interview

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### Introduction:

On January 19, 2010, Inside Sales Leader Gail Welfringer received a call from the Lake Stevens (Washington State) Police Department regarding Allstate unsecured paper customer files that were found abandoned in a large garbage bag behind a closed casino. Welfringer immediately notified Local HR. Sara Coss, HR MOC Consultant learned from Detective Dennis Irwin from LSPD the files were found on January 2, 2010 by a concerned citizen. The LSPD kept them in their possession as the files were very wet and difficult to read. Coss also learned the casino, recently closed and known by the name *Highway 9 Casino* had been owned by EA Francis Suarez. This was confirmed on Suarez's U-4. Inspection of the files indicated they were customer's of EA Suarez and those of former EA Marco Tanuyan's who worked for Suarez following the termination of his EA agreement with Allstate. The files contained Personal Identifiable Information and Protected Health Information: Customer names, addresses, phone numbers, driver's license numbers, Social Security numbers, credit card numbers, birthdates, and health histories. Thus it was determined that Suarez may have violated his EA agreement.

### Facts:

Francis Suarez, EA, was appointed on July 16, 1990 as an R3000 Employee Agent. Suarez converted to an Exclusive Agent on October 1, 2002 and signed a R3001C Agreement. Per Suarez and Lincoln Licensing, the Francis Suarez Agency has four licensed agency staff. Suarez and the four support staff were interviewed by Coss.

Suarez was interviewed by Coss on January 27, 2010 in the Northwest Region; the interview was recorded. Welfringer attended the interview.

The four licensed support staff were interviewed via telephone shortly thereafter.

Allstate's Agency Standards states on p. 5 the following re: Confidential Information:

"Agencies are responsible for complying with all applicable laws requiring administrative, technical, and physical safeguards to protect Allstate's Personal Information from misuse or unauthorized disclosure"

"Personal Information is defined as information collected or retained about an individual to be used for business purposes, where if disclosed, compromised or destroyed in an unauthorized manner would directly or indirectly adversely impact Allstate, its customers or employees. Personal Information includes Personally Identifiable Information ("PII") and Protected Health Information ("PHI") which requires Allstate and agencies to have additional controls in place to protect against unauthorized access and disclosure.

PII is defined as personally identifiable information about an individual, including health and financial information such as, but not limited to Social Security Numbers, driver's license numbers or government-issued ID card numbers, Tax ID numbers, credit card numbers, bank account information, date of birth and payroll information. PII may also include PHI. PHI is defined as Protected Health Information (including the individually identifiable health information of non-U.S. citizens), held or maintained by a covered entity<sup>2</sup> or its business associates acting for the covered entity that is transmitted or maintained in any form or medium. Examples of PHI include, but are not limited to height, weight, medical conditions, drugs, medical products or equipment used, or physician's name."

Allstate's Agency Standards states on p. 6 the following re: Confidential Information:

"Agencies must develop security policies and procedures and establish limitations to control how the information is collected, accessed, stored and disposed."

**Audit:**

An audit was conducted on the files recovered and indicated the following: The garbage bag contained 203 unsecured paper customer files. The documents within the files contained Names, Addresses, Policy Numbers, Social Security Numbers, Driver's License Numbers, Dates of Birth, Credit Card Numbers, Military ID Numbers and Bank Account Information including Routing Numbers with Account Numbers. Eleven of the files were Life Insurance Applications and contained Personal Health Information which included HIV testing documents and a Health History. The majority of the 203 documents found were traced back to the Marco Tanuyan agency and several were traced back to the Suarez agency. All of the files containing PHI were traced back to the Suarez agency.

**Interviews:**

Coss conducted a recorded in person interview with Suarez with Gail Welfringer as a witness. The interview was conducted on January 27, 2010 in the Northwest Regional Office. Coss also conducted phone interviews with 4 licensed agency staff:

Below are the summaries of the individual interviews.

Francis Suarez, Exclusive Agent – January 27, 2010

Suarez stated that he was employed as an Agency employee with Allstate on July 16, 1990. He converted to an Exclusive Agent on December 1, 2002 and signed a R3001C agreement. Suarez is 6 & 63 Licensed.

Suarez stated he is aware of Allstate Agency Standards, but hasn't read them since he was appointed as an Exclusive Agent in 2002. He is aware that updates are sent regularly to the agents and that he is able to access them via Agency Gateway, but depends on his agency support staff and sales leader to educate him on any changes.

When asked if he is involved in any outside business activity, he stated he owns a Hawaiian restaurant in Lynnwood, Washington, owns real estate properties that are managed by a property manager and recently ended his business affiliation with Highway 9 Casino in Lake Stevens, Washington. He added that the activities were disclosed on his U-4. Suarez said that he was only a "silent partner" at the casino, but when questioned further, stated on occasion, he would take an Allstate customer file with him to the casino to make telephone calls.

When Suarez was asked if he was familiar with what Personally Identifiable Information is, he stated that it is "customer information" and was unable to give an explanation of what it is. When asked what procedures he has within his agency to ensure that PII is properly acquired, stored, transmitted and disposed of, Suarez also stated he wasn't aware that Allstate required such procedures within each agency. Suarez added he is not "computer savvy" and depends on his agency staff to keep him informed of how to take care of PII. He did state he instructs his agency staff to shred all confidential information that doesn't need to be in the customer files. When asked if his files are locked, he said "no", but the office is locked at the end of each business day.

Suarez stated that he did not have procedures to ensure the customer files were secure when on occasion he took them to the casino, but that he locked his office at the end of the business day.

Suarez stated that former Agent Marco Tanuyan was employed by Suarez's agency from 2002 to about 2004 after Tanuyan's EA agreement was terminated by Allstate. When asked if Tanuyan brought any customer files with him after his agency closed, Suarez said he had not. When asked how customer files that belonged to Tanuyan could have been found outside of the former Highway 9 casino, Suarez did not have an explanation, but thought it could have possibly been a former disgruntled employee of Suarez's that left around 2005. Suarez said he thought that the customer files that belonged to Tanuyan were assigned to EA Carmelita Strong. When asked if he knew of Tanuyan's whereabouts, Suarez stated he thought Tanuyan could possibly be in Toronto, Canada, as Tanuyan's wife had family there. Suarez was unable to give us the contact information for Tanuyan.

#### Janice Gisle, Licensed Agency Staff

Coss conducted a phone interview with Gisle on Friday, January 29, 2010. Gisle stated she is licensed and appointed with the Suarez agency and has worked for Suarez since August, 2009. When asked if she is aware of PII, she stated she is and was able to give an explanation of PII: confidential consumer information that needs to be protected. When asked if the agency has written procedures for ensuring the PII is properly acquired, stored, transmitted and disposed of, she stated the agency has nothing written, but that she has been instructed to shred confidential information when it is disposed of. When asked if the filing cabinets within the office are locked, she said they are not, but the office is locked at the end of each business day. When asked if she has ever been asked to take customer files from the Suarez agency, she said she has not, nor has she observed Suarez taking any files either.

#### Kierstin Ross, Licensed Agency Staff

Coss conducted a phone interview with Ross on Friday, January 29, 2010. Ross stated she is licensed and appointed with the Suarez agency and has worked for Suarez since June, 2009. When asked what she understands what PII is, she stated she does and said it is customer information that is personally identifiable. When asked if the agency has written procedures for ensuring the PII is properly acquired, stored, transmitted and disposed of, she stated the agency has nothing written, but that she has been instructed to shred confidential information when it is disposed of. When asked if the filing cabinets within the office are locked, she said they are not, but the office is locked at the end of each business day. When asked if she has ever been asked to take customer files from the Suarez agency, she said she has not, nor has she observed Suarez taking any files either.

#### Bernadi Cushmore, Licensed Agency Staff

Coss conducted a phone interview with Cushmore on Friday, January 29, 2010. Cushmore stated she is licensed and appointed with the Suarez agency and has worked for Suarez since November, 2008, but left for a short while and returned in November, 2009. Cushmore stated she is the only LAS that works full time for the Suarez agency. When asked what her understanding of PII is, she stated that it is information that is unique to each customer and that it is confidential. She stated that while she is familiar with the meaning of PII and understands the significance of keeping it such via email and needing to shred the documents, the Suarez agency does not have procedures in place for PII with the exception of shredding documents and locking the office at the end of the day. When asked if she has ever been asked to take customer files from the Suarez agency, she said she has not, nor has she observed Suarez taking any files either.

Laura Shore, Licensed Agency Staff

Coss conducted a phone interview with Shore on Monday, February 1, 2010. Shore stated that she is licensed and appointed with the Suarez agency and has worked for the Suarez agency since December, 2007. When asked what her understanding of PII is, she stated she is not familiar with the specifics of PII, but does know that customer confidential information needs to be shredded if it's not in the file. She said the Suarez agency has never had locked filing cabinets and only locks the office at the end of each business day. She was not familiar with how to protect PII when using email or the internet. When asked if she has ever been asked to take customer files from the Suarez agency, she said she has not, nor has she observed Suarez taking any files either.

**Analysis**

According to the interviews conducted and the evidence obtained from the Lake Stevens Police Department, it appears that Suarez violated his EA agreement regarding Confidentiality of Information by improperly disposing Allstate Consumer Personal Identifiable Information not developing security policies and procedures and establish limitations to control how the information is collected, accessed, stored and disposed.

**Conclusions:**

Based on the facts of the investigation, the evidence concludes that Francis Suarez, EA violated his R3001 agreement by improperly disposing of Allstate consumer Personal Identifiable Information and Protected Health Information that may lead to adversely impacting those consumers and irreparable damage to the Company brand.

**From:** Cooper, Debbie  
**Sent:** Friday, January 08, 2010 4:25 PM  
**To:** Mills, Kendall R.  
**Cc:** Coss, Sara; Barger (HR), Kim  
**Subject:** Corporate Security Referral - EA Francis Suarez

**Attachments:** Picture (Metafile)  
Kendall,

Per our discussion, I'm referring EA Francis Suarez to Corporate Security for investigation of alleged rebating. The fact are as follows:

RSL Larry Wenneborg received information from our Controller that a \$58 cash remittance was missing for the Francis Suarez agency and it appeared that multiple \$58 Flood policies were being written by the agency. Wenneborg contacted Suarez and inquired about the missing cash remittance and mentioned the volume of \$58 Flood policies. Over the course of several conversations, Suarez stated the following to Wenneborg:

- He ran an audit of his customers
- He reviewed the audit to see which customers might be in need of Flood insurance
- His LAS called customers to review their policies and pitch the need for Flood insurance
- The LAS told the customers that as a courtesy to their long term customers and because of the holiday season the agency would pay their first year premium

Wenneborg told Suarez he couldn't pay for people's policies. Wenneborg asked Suarez to call the customers and inform them that a mistake was made, he could not pay for the premium and inquire whether or not they still wanted the policy. Suarez was informed that this incident was being referred to local Human Resources and compliance.

**Debbie Cooper**  
RSL Business Partner  
Human Resources  
Northwest Region



**Allstate Insurance Company**  
18911 North Creek Parkway, Suite 301  
Bothell, WA 98011

Phone (425) 489-5277  
or (800) 497-7977 ext. 5277  
Fax (425) 489-5274  
debbie.cooper@allstate.com



**Laura E. Birchfield**  
Investigator  
Corporate Security  
Law & Regulation Department

May 6, 2010

Closing Memo

Michelle Lee  
Field Vice President  
Northwest Region

**RE: Francis Suarez**  
**R3001C Exclusive Agent**  
**SD: 7/16/1990 TD: 9/30/2002 CD: 10/1/2002**

Michelle:

You will recall we initiated an investigation of Bothell (WA) R3001C Exclusive Agent Francis Suarez. We initiated the investigation when Regional Sales Leader Business Partner Debbie Cooper notified us that Suarez may have paid customers' Flood insurance premiums. Thus, it was suspected Suarez may have breached his R3001C Exclusive Agency Agreement.

Recently, we were informed Suarez's R3001C Exclusive Agency agreement was involuntarily terminated effective May 4, 2010. Therefore, since it appears our involvement in this matter is no longer necessary, we are closing our file

Michelle, please call if you have any questions.

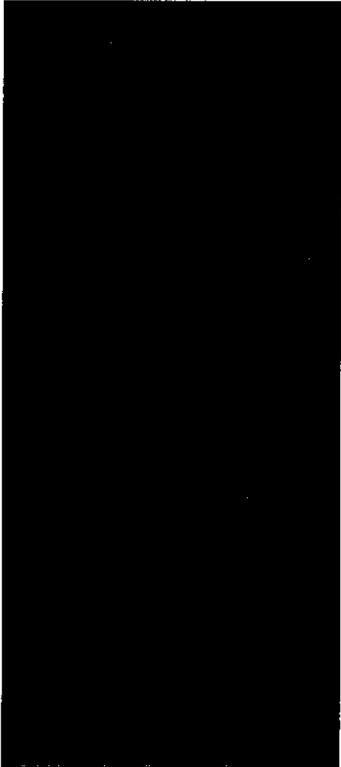
Regards,

Laura E. Birchfield

Copy to: Kim Barger  
Iris Chester  
Allen Reed  
Ben Tarver

Policy #	Type PII Contained In Docur	SSN	D/L	DOB	Credit C Millar, Volded Cht Bank Ac	FirstName	LastName	Address1
007623419	SSN; DL; DOB; CC#				VISA	Laura	Nguon	5417 S Stevens
79166428620	SSN; DL; DOB;					Thuy	Nguyen	12821 SE 227th Ct
36131971968	SSN; DL; DOB;					Dahnie	Saller	4206 S 34th Av
36124048120	SSN; DL; DOB;					Delmar	Sherell	8154 S Crecent St
None	SSN; DL; DOB;					Thann-Tam	Nguyen	5622 Winston Ave
None	SSN; DL; DOB;					David	Ossakha	6600 Rainier Ave S #3
None	None					Ngoo B	Nguyen	10051 4th Ave SW
None	SSN; DL; DOB;					Eric	Tralna	22221 Meridian Ave
None	SSN; DL; DOB;					Stephanie M	Cherault	7801 MLK Way S, #1
36134437152	SSN; DL; DOB					Sergio	Ruiz-Cornejo	6231 38th Ave S
None	SSN; DL; DOB					Terral Lashun	Curtis	1406 Maple Lane S Apt. 11
36133472474	SSN; DL; DOB					Terral Lashun	Curtis	1406 Maple Lane S Apt. 11
None	DL; DOB					Troy	Nishikawa	4223 W Lake Sammamish
None	None					Troy	Nishikawa	4223 W Lake Sammamish
None	SSN; DL; DOB; MIL ID				SSN # listed on ID	Matthew	Riddle	17856 157th Ave SE
36112420225	DL; DOB					Chuong M	Huynh	722 Martin Luther King Way
36112420225	DL; DOB					Tu M	Huynh	722 Martin Luther King Way
None	DL; DOB					Thinh	Tran	3014 NW 68th
None	SSN; DL; DOB					Quang Tan	Huynh	12418 1st Ave SW
36112070226	SSN; DL; DOB					Quang Tan	Huynh	12418 1st Ave SW
None	SSN; DL; DOB					Hien Thi	Pham	11516 Lake City Way
36112070226	DL; DOB					Hien Thi	Pham	1032 S Jackson St #107
None	DL; DOB					Somthone	Bounleyrt	1708 E 57th St
36112729079	SSN; DL; DOB					Thuy-Tien	Nguyen	8119 47th Ave S
020169506	SSN; DL; DOB					Kathaleen	Duffy	1805 SE Fir St
020169506	SSN; DL; DOB					Justin	Le	
None	DL; DOB					Joseph/Joyce	Eng	10649 60th Ave S
None	DL; DOB					Joyce	Eng	10649 60th Ave S
None	DL; DOB					Joseph	Eng	10649 60th Ave S
None	DL; DOB					Stacie	Eng	10649 60th Ave S
None	None					Jan	Vicando	3201 Beacon Ave S
620019841	SSN; DL; DOB					Brian	Gardner	2409 Walnut St
None	DL; DOB					Minh Le	Tong	6815 46 Ave S
36101843666	SSN; DL; DOB					Hoan	Phan	130 SW 112th St #B207
None	None					Tracy	Ordone	123
607634142	None					Quyen	Phung	11020 Parkview Ave S

637501459	SSN;DL;DOB
None	None
35031909810	SSN;DL;DOB
35031909810	SSN;DL;DOB
35030141880	SSN;DL;DOB
35023508933	SSN; DOB
35023508933	SSN;
None	SSN;DL;DOB
None	None
None	SSN;DL;DOB
None	SSN;DL;DOB
35133782128	SSN;DOB
None	SSN;DL;DOB
35133369426	SSN;DL;DOB
None	SSN;DL;DOB
35133369426	SSN;DL;DOB
None	SSN;DL;DOB
35133369426	SSN;DL;DOB
None	DL;DOB
35122676047	SSN;DL;DOB
35122676047	DOB;
None	None
17981760	DL;
None	None
None	Uncancelled check
None	SSN;DL;DOB



Check/Voided

Check \$114.90

All	Zameer	4216 S 30th ST #214
Julia	Cross	12306 Gibson Road
Alan	Draoulan	10212 Beacon Ave
Michelle	Bernardo	10212 Beacon Ave
Brad	Kjolsa	17702 N Road
Zhi	Lin	2215 S Orcas St
Yin H.	Dong	2215 S Orcas St
Luyen "Tony"	Nguyen	6444 48th Ave S
Tuy Quang	Bul	12068 E Kansas M
Tuy Quang	Bul	4801 S Graham St A
Kamean All	Mohamed	1881 Shanley Dr #5
Dorothy	Brown	1700 17th Ave #714
Mysesha Denise	Richardson	8401 Rainier Pl S #1
Vinhky C	Lien	6863 27th Ave S
Daun	West	9840 S 262nd Pl
Songly	Hat	none indicated
Songly	Hat	1771 20th Ave S
Vannara	?	none indicated
Vannara	Nak-Hat	1771 20th Ave S
Sonary	Hat	none indicated
Sonary	Hat	1771 20th Ave S
Phuoc Van	Bul	22440 SE Benson Ri
Mohamed	Abdl	4803 S Henderson S
Shuki	Jama	4803 S Henderson S
Gregorio	Oilnares	4316 13th Ave S
Dung Van	Phu	3504 Holly Park Dr S
Geoffrey	Larrabee	7255 87th Ave SE
Julie	Fraback	6550 W. Mercer Way
Dario/Marcellina	Rillo	2604 S Grand St
Billy FM	Ng	6626 23rd Ave S
Polly Soo Ching	Ng	6626 23rd Ave S
Elaine Shang Ling	Ng	6626 23rd Ave S
Tracy Shan Kwan	Ng	6626 23rd Ave S
Christina Shano Ying	Ng	6626 23rd Ave S
Cirilo Dimengo	Vicente Jr.	6626 23rd Ave S
Dinh	Nguyen	3940 S Peard St. #7

None SSN;DOB  
None SSN;DOB  
36121494642 SSN;DOB  
None SSN;DL;DOB  
None Voided Check

None  
None  
None  
None  
None SSN;DL;DOB  
None SSN;DOB  
None SSN;DOB

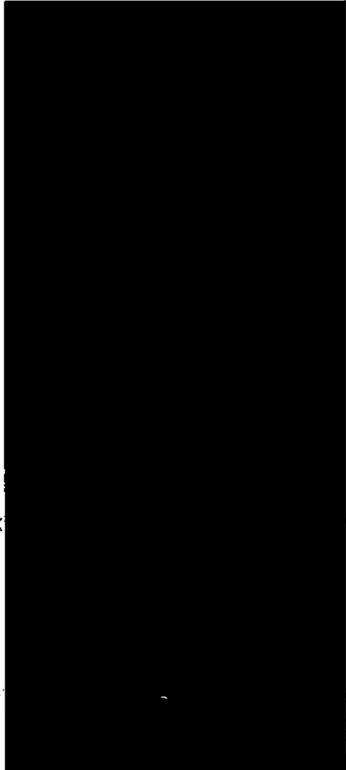
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None SSN;DL;DOB  
None SSN;DL;DOB

20412365 SSN;DL;DOB  
20412366 SSN;DL;DOB  
None SSN;DL;DOB  
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None SSN;DL;DOB  
None SSN;DL;DOB  
None SSN;DL;DOB  
36022973364 DOB;  
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None SSN;DL;DOB  
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617861813 None



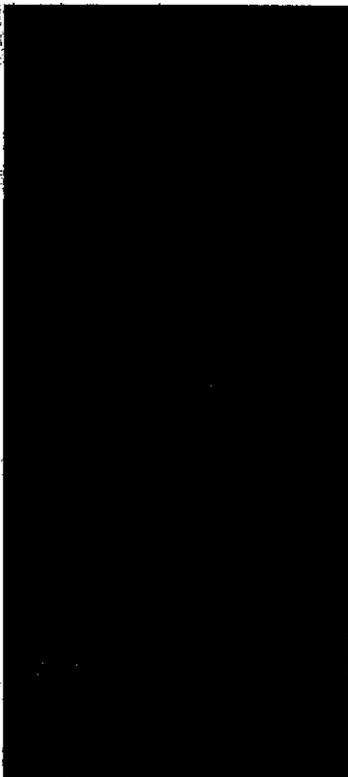
Voided Check

Via [redacted] Voided Check

Kim Huong  
Diem Chau  
Stalin  
Ly Quang  
Tomas A  
Joe Santos  
Thao P.  
Pho Hien  
MarVic/Janice  
Thlone  
Kevin  
Trung Thanh  
David/Helen  
David  
Chaleomchai  
Sadrina M  
Jullas  
Long P  
Thai Binh P  
Tuyet Anh  
Tam Van  
Pauszah  
Lynda S  
Sonny  
Kim Chi Thi  
Kim Yen  
Danny Si Phuoc  
Cindy Cam Thi  
Geraldine  
Paul  
Paul  
Maryann  
Tuan  
Kevin  
Esmaralda  
Octorio  
Larry

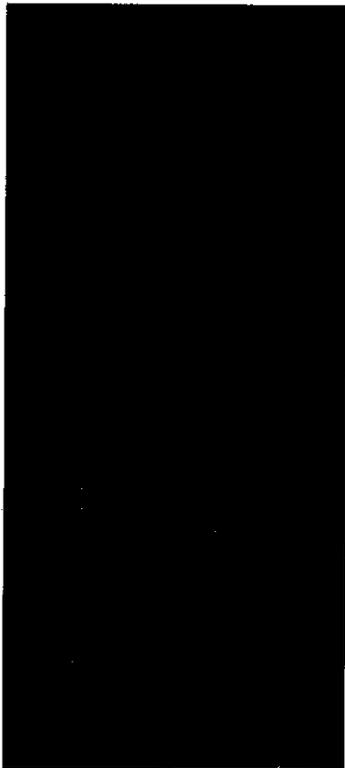
Nguyen 3940 S Pearl St. #7  
Nguyen 3940 S Pearl St. #7  
Harrison, Sr. 609 S 29th Ave  
Tran 4423 S Brandon St #5  
Tanuyuan 704 SW 119th Street  
Fajardo-Martinez 8312 Wabash Ave S  
Nguyen 600 University Way NE  
Vuong 500 University Way NE  
Jimenez 5123 151st Pl SE  
Dlop 1144 N 92nd St  
Reed none indicated  
Le 22730 SE 100th Ave  
Shelair 8020 SE 37th Place  
Ramstad 19616 65th Ave NE  
Kithran 19616 65th Ave NE  
Thomas 10305 SE 264th St G 1  
Pinchback 10305 SE 264th St G 1  
Nguyen 2530 29th Ave S  
Nguyen 2630 29th Ave S  
Nguyen 2630 29th Ave S  
Nguyen 7803 46th Ave S  
Nguyen 7803 46th Ave S  
Le illegible  
Nguyen illegible  
Nguyen 2309 Kulshan St  
Nguyen 8134 48th Ave S  
Nguyen 16021 Ashworth Ave N  
Tran 16021 Ashworth Ave N  
Hussey 6136 35th Ave S  
Mogadima 517 3rd Ave  
Mogadima 517 3rd Ave  
Francisco 1701 13th Ave S, #B  
Tran 12231 14th Ave S  
Ulloa 2112 19th Ave S  
Ulloa 2112 19th Ave S  
Ulloa 2112 19th Ave S  
Rogers 1701 12th Ave

None	Life	SSN	DL	DOB
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None	Life	None		
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None		SSN	DL	DOB
None		SSN		



Sheree Ann E	Manalang	4612 S Director Street
Rabann	Manalang	4612 S Director Street
Lucia	Espinoza	4612 S Director Street
Lamphune	Xayapanhyavong	4120 49th Ave Apt. 11
Lamphune	Xayapanhyavong	6208 Thurman Way
Lamphune	Xayapanhyavong	10723 Renton Ave S.
Tyler	Xayapanhyavong	10723 Renton Ave S.
Lamphune	Xayapanhyavong	10723 Renton Ave S.
Phi J.	La	7807 48th Ave S.
Clarence K	Johnson	12819 SE 38th #282
Afmie	Halmer	14103 126th Pl NE
Pamela	Yin	4212 216th St SW
C. Raymond	Yin	4212 210th St SW
Voided Chr 195216	Marla Joy	Villasin
	Evellne	Ray
	Stacey	Jallo
	Tamene Abraha	Kassa
	Ehle	Kassa
	Joel	Roman
	Jovenal	Rodriguez
	Edith Inez	Redman
	Edith Inez	Redman
	Negelsha	Russell
	Huy	Luong
	Thuy	Chung
	Cindy	Luong
	J. Elliott	Moran
	Jeff	Micallef
	Bum Chul	Kim
	Bum Chul	Kim
	Was	Rupel
	Roger	O'Sullivan
	Jason	Olson
	Kao Nal	Saeohao
	Mujlaba	Choudhary
	Hung Phi	Hoang
	Gary	Kettle
		14245 183rd Ave SE

None	SSN
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None	None
None	None
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Uncancelled check

Vicky	Kaitels	14245 183rd Ave
Bobby Byron	Agron	none indicated
Allisa	Montale	none indicated
Reggie	Fernandez	826 4th Ave W. #
Tuyet Nhung	Dao	3844 Courtland F
Tuyet Nhung	Dao	3844 Courtland F
Manh Hoa	Dao	3844 Courtland F
Chinh Thi	Nguyen	14388 30th Ave I
Chinh Thi	Nguyen	1019 E. Yeeler V
Thach Huu	Nguyen	4024 31st Ave S
All	Begdady	11303 28th Ave :
Maryan	Begdady	11303 28th Ave :
Karen	Lanza	24022 S Lake Rr
Matthew	Atmqulst	6022 28th Ave N
Phillip	Hines	911 E. Jefferson
Jacqueline	Hines	911 E. Jefferson
Ronald	Jefferson	6206 Delridge W
Rick	Bailey	12434 21st Ave.
Lori Ann	Gilderoy	12434 21st Ave.
Daniel	Browning	1236 SW 132nd
Kim	Huynh	3427 SW Raymi
Leanna	Mao	4810 127th Ct S
Tri Hun	Lam	3014 S Genesse
Hiep Thanh	Nguyeh	135 SW 116 #2
Thien Thi	Tran	1701 13th Ave S
Van Tu	Nguyen	1701 13th Ave S
Hellma	Abd	
Mohamed	Said	PO Box 22522
Mohamed	Parked	PO Box 22522
Ahmed	Abd	9061 Seward Pe
Hawa H.	Kaclr	4011 Barbary C
S. Todd	Sheppard	6709 S. Pilgrim
Tong	Dang	2216 S 120th St
Yan	Dang	2216 S 120th St
Ty	Fung	none indicated
Marlus G.	Glx	24812 110th SE
Freedom	Slyam	5118-B Corson

36131117940 SSN;DL;DOB  
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 None Life SSN;DOB  
 None SSN



isa [redacted]

Uncancelled Check

Carlmay  
 Khanh Cong  
 Fransisco  
 Fasseha  
 Alsm  
 Fasseha  
 William  
 Leslie  
 Jae Lee  
 Sun Choe  
 James  
 Bunna  
 Dawit  
 Woldermarlan  
 Stephen T.  
 Lanise  
 Alexandria Ann  
 Amy  
 Amanda

Marquez 6118-B Corson Av. S  
 Nguyen 9044 4th Ave SW  
 Mosqueda Segura 9081 Seward Park A  
 Tesfal 9823 21st Ave SW  
 Tesfal 9823 21st Ave SW  
 Tesfal 10761 16th Ave SW  
 Donehey 6209 1/2 16th Ave. N  
 Riley 28404 46th Avenue E  
 Sung 12530 36th Ave NE  
 Joo 14816 Stone Ave NE  
 Yang 16033 Wallingford Av  
 Kenh 2216 S 120th St  
 Goltom 6825 Rainier Ave. S.  
 Goltom 6825 Rainier Ave. S.  
 Sheppard 3709 S. Pilgrim  
 Prescott-Sheppard 3709 S. Pilgrim  
 Walkinshaw PO Box 543  
 Vickers 227 Bellevue Way N  
 Holmquist 20103 76th Avenue C



**Penn, Cheryl (OIC)**

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**From:** Coss, Sara [scoss@allstate.com]  
**Sent:** Wednesday, January 05, 2011 1:36 PM  
**To:** Penn, Cheryl (OIC)  
**Subject:** Francis Suarez

Cheryl –

I checked with our compliance team on the number of flood policies Francis Suarez paid for and the number is 40.

Please let me know if you have anymore questions or concerns.

Regards,

**Sara Coss, SPHR**

HR MOC Consultant

Northwest Region

**Allstate Insurance**

18911 N Creek Pkwy, #301

Bothell, WA 98011

Phone: 425.489.5565

Fax: 425.489.5274



## **Penn, Cheryl (OIC)**

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**From:** Francis Suarez [fsuarez57@gmail.com]  
**Sent:** Friday, December 10, 2010 6:29 AM  
**To:** Penn, Cheryl (OIC)  
**Subject:** Fwd:

OIC File # 1044742

ATTENTION : Cheryl Penn

Her email is : [CherylP@oic.wa.gov](mailto:CherylP@oic.wa.gov)

This is in response to your request regarding my explanation of my Allstate appointments. To be perfectly honest, it caught me by surprise. One day sometime January, 2010, Allstate Corporate called my office requesting an interview. They didn't elaborate why. On the day of the interview, they asked me questions regarding former Allstate agent, Marco Tanuyan and also a former employee of mine. Marco Tanuyan started with Allstate around the year 2002 but was terminated by Allstate because of lack of production. I met with him, he asked me for an opportunity to work as a customer service/producer. I hired him around 2003. What I didn't know and just found out during the interview was supposedly when Marco Tanuyan left Allstate, he took one box of files containing some client's information. When he left Allstate, all of his clients were distributed to a couple of Southend Allstate agents. We had a falling out in March, 2005. He quit and moved away. During that time, I owned a membership interest in a casino/card room business in Lake Stevens, Washington from 2005- August, 2009. But because of economic reasons, the business failed. All files and inventory of the casino was transported by a professional moving company to two big storage units so all important documents were securely filed in a safe place. On August 11, 2009 we did a final walk through of the building and the building was empty. Sometime December, 2009, Allstate Corporate told me they found one box of files in the garbage bin which were clients of Marco Tanuyan when he was an Allstate agent. They wanted to know how it got there, I had no idea. I was shocked and said I didn't know. They told me since I was the employer of Marco, I was partly responsible. I want to stress that these files weren't clients of mine and I didn't know how it got there. They asked me if I knew where Marco Tanuyan was, I said I didn't know, they told me they would forward it to the Allstate Corporate Security in Chicago and that was the end of the interview. After a few days of reflection, I decided to do my own investigation. My staff researched and found his wife, she had a Facebook account. I called several times and left messages, she finally called back, I requested to talk to Mr. Tanuyan regarding some of his old Allstate files. He never responded or returned my calls. By the way, during the interview because I was in shock, I forgot to tell them important details. During year 2003-2007, I hired a professional shredding company to shred all confidential information that were obsolete. Whenever an employee is terminated or leaves my agency, we go through their desk to make sure all files are shredded or filed properly. After 2007-2010, I bought my own heavy duty shredding machine. I have a storage area where I have files locked up in a safe place. In my agency we have a process in place where all employee agents must shred or file all confidential information, meaning no just throwing away anything. Allstate HR did a random call to my office when I was not around, interviewed all my staff by phone regarding the handling of confidential papers and how they handled all sensitive information. My understanding was all of them were in compliance. Regarding Marco Tanuyan's files, I understood Allstate's position about confidentiality but I felt this was not in my control. I didn't know about the files because if I did, all I needed to do was file it, put it in storage, or shred it. I wouldn't risk my career. My staff are all experienced and they know all I ask from them is to be ethical and high integrity. Customer is always # 1, without our clients we are nothing and always be compliance with Allstate guidelines.

I've been an Allstate agent for 20 years, received numerous awards, Honor Ring, National Champions, Chairman's Conference, Life Leader Elite, Quality Agent awards, I was an Allstate Ambassador for Red Cross, I've never been in trouble with Allstate. So in the end, I thought the worst case would be a slap in the hand not terminate my contract. Mr. Tanuyan's files were his files, not mine. He didn't tell me what he did. Those particular files in question I know couldn't be my clients because once Mr. Tanuyan quit Allstate, they were distributed to other agents in Southend so I wouldn't be the agent of records for those files because I live in the Northend. So for servicing purposes Allstate would never assigned those to me. It's so ironic that the casino/cardroom closed August, 2009 and someone found that particular box of files in December, 2009. I called HR and asked how it was found or names of the clients but I didn't receive

any response.

Bottom line, I felt someone set me up. I'm respected in the Filipino community but there are people envious of my success. I don't hold a grudge with Allstate because they needed to protect the Allstate brand. I'm a little hurt because I felt they could have been a little more compassionate. My agency was very profitable because of my low loss ratios and high retention ratios for my clients, I made them a lot of money. I felt I represented Allstate very well as an agency owner.

On July, 2010 I sold my Allstate business. I hope this response clears up the matter regarding the Allstate contract termination. Any questions, feel free to email me. Send me a confirmation email. My email address is : [fsuarez57@gmail.com](mailto:fsuarez57@gmail.com).

Sincerely,

Francis Suarez



**Penn, Cheryl (OIC)**

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**From:** Penn, Cheryl (OIC)  
**Sent:** Wednesday, January 05, 2011 7:56 AM  
**To:** 'Francis Suarez'  
**Subject:** Termination of Allstate Appointments - OIC File No. 1044742

Mr. Suarez:

In your December 10, 2010 email response to our inquiry, you reported that the client files that were found in a bag were clients that belonged to Marco Tanuyan when he was an Allstate agent. The company has now informed us that at least 11 of the clients files were for clients that belonged to you. Specifically:

Stephanie M. Chenault  
Kevin Ulloa  
Esmerelda Ulloa  
Octorio Ulloa  
Sheree Ann E. Manalang  
Raeann Manalang  
Lucila Espinosa  
Phu T. Le  
Negeisha Russell  
Stephen T. Sheppard  
Lenise Prescott-Sheppard

Please confirm – were the above list of clients, your insureds?

Also, our November 16, 2010 letter asked you to provide us with a copy of your written policies, standards and procedures for the management of health information, including policies, standards and procedures to guard against the unauthorized collection, use or disclosure of nonpublic personal health information by the licensee consistent with regulations adopted by the U.S. Department of Health and Human Services governing health information privacy in accordance with WAC 284-04-500. You did not provide us with your written policy regarding the management of health information. We ask that you do so now.

We have now learned from Allstate that you provided clients with flood insurance policies to some of your clients and paid the first year premium. Is this true? If yes, how many clients did you provide flood insurance policies to?

Please respond no later than January 26, 2011. Thank you.

*Cheryl Penn*, Investigator  
Office of the Insurance Commissioner  
State of Washington  
( Phone: 360-725-7264  
Fax: 360-586-2022

[cherylp@oic.wa.gov](mailto:cherylp@oic.wa.gov)

[www.insurance.wa.gov](http://www.insurance.wa.gov) (Web Site)

Read our insurance blog: [www.wainsurance.blogspot.com](http://www.wainsurance.blogspot.com)

Follow our consumer updates on Twitter: [www.twitter.com/WAinsuranceblog](http://www.twitter.com/WAinsuranceblog)



Your additional request regarding procedures for managing privacy guidelines is also enclosed. Since I sold my agency and no longer active in the business, all I have are copies we use to follow. During my 20 years at Allstate, I did not offer or sold health insurance so I do not have privacy procedures for that line of business. However, if we ever sold health insurance, we would follow the same procedures as in property and casualty privacy guidelines. — **Exhibit 2**

Regarding the question about paying premiums on my clients flood policies, I did not pay the first year's premium. To elaborate, during December 2009, I had an office meeting with my staff to review our production for the year. They were happy to hear we achieved our office goals. I requested an audit of my book of business and identify our best performing clients and see if they could benefit in having flood coverage. Laura (one of my staff) volunteered to do the assignment. I gave her a script to follow on how to sell the flood policy and our goal was to sell 10 policies. These were just "back-up" policies.

Because of the water damage we sustained at the office during that time and the odor, this affected her breathing; I authorized her to work from home to handle the flood insurance project. A day or two later, I received a call from Peter Smallwood (my manager) congratulating me on selling approximately 30 flood policies. It raised a red flag to me because I told her we only needed 10 policies. So, I called Laura and asked her about her sales process. She explained to me that she decided on her own (because these were our best clients), instead of selling the flood policy, she told them for Christmas the first year's premium was going to be paid by our agency as a sign of appreciation for their loyalty to our agency. I questioned her why she decided to do what she did. Her answer was according to what she read on the Allstate web site, she understood that a change regarding gifts to clients was increased from \$ 25.00 to \$ 50.00. She knew that a basic preferred "contents coverage only" cost less than \$50.00. Since we have not engaged in this procedure in the past, I asked her to call the office of the insurance commissioner for clarification. They told her she misunderstood. The \$ 50.00 was for referral reward. I reprimanded and scolded her. I immediately called Peter Smallwood and Larry Wenneborg (territorial manager) for advice on how to correct the problem. They recommended calling all clients involved and explaining the error made by my staff



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## ACCESS TO PERSONAL INFORMATION

Agency has implemented reasonable steps in its office to monitor its office files and computer systems to ensure only authorized employees and users have access to prospect and customer Personal Information and use of that Personal Information.

For example, all producers and employees of the Agency have "strong" passwords. "Strong" passwords:

- Do not relate to one's job or personal life, and
- Cannot be found in the dictionary, and
- Contain a minimum of 6 characters, and
- Incorporate one or more upper-case letters, one or more lower-case letters, one or more numbers, and one or more special characteristics (such as @, !, #).

Passwords are kept in a location that does not compromise their physical security. Employees do not write passwords on anything that is visible for others, including prospects, customers, and other agent/EFS employees, to see. Passwords are never shared among members of my office.

Agency has developed security policies and procedures that take into account whether and how employees should be allowed to maintain, access, transport, and dispose of records containing personal information.

Agency has specific processes for contract or contingent employees which include limiting their access to only those paper or electronic systems which are necessary to perform their job function.

Terminated employees and/or contract workers are prevented from accessing records containing Personal Information by immediately terminating their physical and electronic access to such records, including deactivating their User IDs when their relationship with the office is terminated.

## ACQUISITION AND USE OF PERSONAL INFORMATION

The amount of Personal Information collected in Agency's office is limited to that which is reasonably necessary in order to accomplish the legitimate business purpose for which it is collected. Reasonable steps are taken to ensure that printed materials, electronic records, etc. containing Personal Information are not visible to the public. Prospect and customer Personal Information will not be accessed by, or displayed on documents that are easily seen by others or shown to any other person, who is not authorized to view such information. Prospect and customer Personal Information is never to be used for personal use or personal benefit outside the specific business purpose for which it was obtained. For instance, prospect and customer data obtained for quoting new business should not be resold or given to non-Allstate personnel for marketing non-Allstate products.

If a customer has "opted-out" of sharing personal information with our affiliates for marketing purposes, Agency will abide by that request and restrict the sharing of information with affiliates for their marketing purposes.

### **STORAGE/PROTECTION OF PERSONAL INFORMATION**

Agency's office is locked when not open for business, and all office doors have deadbolt locks.

All members of Agency's office will lock their workstation (using Control+Alt+Delete keys) when they are temporarily away from their computer. In addition, Allstate computer network sessions are terminated and the computers are logged off prior to leaving for the day or any extended period of time.

All computers in Agency's office are physically secured with a locking cable; the key to the locking cable is removed prior to leaving for the day or any extended period of time. If a computer has to be mailed to a vendor for repair, Agency uses an overnight mailing service with a tracking number.

Any paper materials, electronic records, etc. containing Personal Information are stored in locked facilities, storage areas or containers (example, locked filing cabinets) when not in use. Prior to leaving for the day, all storage areas and containers are locked. Personal Information is never left in an unlocked or locked vehicle overnight.

Personal information is utilized only for data entry into Allstate provided or authorized applications and is not downloaded and or re-constructed on to any agency device/s including PC workstations, laptops, removable devices or media (e.g. USB drives, flash drives, CDs/DVDs etc.), Smartphones aka Internet connected phones, PDAs & phones.

Any wireless device (Smartphones, PDAs, Phones) that connect to the Allstate Network, meet the device standards established by Allstate.

Prospect and customer Personal Information is protected by limiting the access to only those who need access to the information to do their job, and not sharing it with anyone other than the person/customer/prospect. Agency accomplishes this by following the customer authentication process to verify that the person we are working with is the named prospect or customer. If the identity cannot be validated, no Personal Information is shared. This helps protect against fraud and is important where the customer or prospect is involved in a domestic dispute.



## MAIL

Correspondence containing prospect or customer Personal Information is mailed in a sealed envelope. Postcards containing Personal Information or Allstate insurance account information are not mailed to prospects or customers.

## RETENTION OF PERSONAL INFORMATION

A retention schedule for all paper, electronic, or other sources containing Personal Information has been established. All personal information is properly disposed of when the retention date expires or there is no longer a specific need or business purpose for retaining it.

## DISPOSAL OF PAPER AND ELECTRONIC RECORDS, ETC. CONTAINING PERSONAL INFORMATION

A shredder is used to securely destroy all paper material containing Personal Information. Documents containing Personal Information are not thrown in the trash for routine garbage disposal. Striking out customer information with a marker on forms is not considered a secure method of destruction.

Electronic storage devices containing Personal Information are either physically destroyed or overwritten three times. CD-ROMs and disks containing Personal Information are cut into pieces. Scanners and other hardware devices containing Personal Information are disposed of in a safe manner so that any Personal Information contained within the hardware cannot be released to an unauthorized user.

## TELEPHONIC AND OTHER VERBAL COMMUNICATION

Agency ensures that telephone and other verbal conversations in which Personal Information is discussed are not overheard by persons who do not have a legitimate need to know the content of the conversation. For example, no voice-message containing Personal Information is left on an answering machine which could be accessed by someone other than the intended individual. When speaking with an individual on the phone about Personal Information, the customer authentication process is used to verify the identity of the individual. If the identity of the individual cannot be validated, no Personal Information is shared with the individual.

## THIRD-PARTY VENDOR ADHERENCE

Agency has a contract with any third party vendors or service providers with whom it shares prospect, customer or other personal information. The contract must contain confidentiality, privacy and security requirements, and comply with any applicable state laws regarding vendor oversight. Agency requires any third-party vendors or service providers with which it does business to have a security program in place which complies with Allstate privacy and security policies regarding the safeguarding of Personal Information.

The third-party vendors with which Agency does business must adhere to our Privacy Statement and security requirements. These third-party vendors may not use Agency or Allstate prospect and customer Personal Information for their own prospecting/solicitation purposes.

### THIRD PARTY VENDOR ADHERENCE

### EDUCATION AND TRAINING

Every Agency employee and contingent worker/temporary employee has been trained or educated to follow this Written Information Security Program. All employees, including part-time employees, have been trained or educated on the proper use of our computer system security and the importance of protecting prospects' and customers' Personal Information, as well as the IT Usage Policy. Training and education are evaluated and adjusted, as needed, to protect prospect and customer Personal Information.

### PRIVACY/SECURITY INCIDENT REPORTING

Privacy/Security Incidents and Security Breach Incidents must be reported immediately by calling the Alert Us Line at 1-800-427-9389.

Privacy/Security Incidents are also recorded in Agency's "Responsive Actions Log" whenever a prospect's or customer's Personal Information may have been improperly exposed.

My Responsive Actions Log contains the following information:

- Date of Incident
- Description/Summary of Incident
- Responsive actions taken

### RESPONSIVE ACTION LOG

Privacy/Security Incidents include but are not limited to:

- Unauthorized disclosure or use of prospect, customer, or claimant Personal Information
  - Examples would include ordering credit reports, CLUE, motor vehicle reports or current carrier information without customer or prospect authorization or misuse of such information.
- Unauthorized acquisition of data that compromises the security, confidentiality or integrity of Personal Information
  - Examples would include appending one customer's data to another customer's data to obtain a lower rate for the other customer
- Theft or loss of server, scanner, workstation, laptop, wireless device, paper, CD, DVD, or other electronic files containing Personal Information
  - Examples would include lost cell phone, USB drive in a taxi
  - Paper files left on airplane or stolen from vehicle or office

**ONGOING MONITORING OF PERSONAL INFORMATION PROTECTION**

Agency's designated Written information Security Program manager evaluates the effectiveness of our security and processes to protect Personal Information. Agency regularly evaluates and monitors the effectiveness of our Written Information Security Program and reviews the scope of its security measures on at least an annual basis or whenever there is a change in business practices (e.g. sourcing, acquisition of another agency, etc) which may reasonably implicate the security or integrity of any type of records containing Personal Information.

Completion of Agent/EFS Self-Assessment helps ensure that all the necessary components have been included in my Written Information Security Program as well as provides specific details about how my office complies with the specific safeguarding methods/guidelines.

**AGENCY/EFS SELF-ASSESSMENT**

EXHIBIT 10

In Re the Matter of:

FRANCIS SUAREZ

OIC Case #: 1044742

DECLARATION OF  
FRANCIS SUAREZ

I, Francis Suarez under penalty of perjury under the laws of the State of Washington, declare that the following facts are personally known to me, and, if called upon to do so, I could and would testify competently to them.

1. I do not recognize the 11 policyholders whose names were provided to the Insurance Commissioner by Allstate are/were clients of mine. I was not the originating agent for those 11 insureds to the best of my recollection.
2. I have no recollection of signing any document relating to new business or originating agent that would have been placed in any of those 11 client files. However, if and when they become our servicing account I may have signed something.
3. The agent's support staff that I sold my agency to (Joel Calvert) recently conducted a search of those 11 clients' names. The resulting report showed "not found". If the clients had been mine they would have shown up in my name as the originating agent or in Mr. Calvert's name as the agent that currently has that book of business.
4. I was not assigned as agent of record for any of Marco Tanuyan's clients during the time Allstate ended their relationship with Marco Tanuyan as an Allstate agent. Mr. Tanuyan's client base was in the south end and I work in the north end. Allstate did not assign any of those clients to me or my agency as an originating agent to the best of my knowledge. I do not recall having personal relationships with any of those 11 insured in question.
5. Employee Laura Shore contacted some of our best performing clients to solicit flood insurance business. Ms. Shore offered that the agency (Francis G. Suarez Insurance, Inc.) would pay the first years premium on those policies because of our appreciation for their loyalty to our agency. Ms. Shore acted without my knowledge and consent when making this offer.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF WASHINGTON STATE THAT THE FOREGOING IS TRUE AND CORRECT.

Dated this 28 day of January, 2011.

DECLARATION OF Francis Suarez  
Page 1 of 2

Francis Suarez  
Signature of Declarant  
FRANCIS SUAREZ  
Printed Name of Declarant

DECLARATION OF Francis Suarez  
Page 2 of 2





**Memorandum of Interview**

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**Date:** February 2, 2011

**OIC Case #:** 1044742

**Name /Address of Person Interviewed:** Laura Shore  
24222 54<sup>th</sup> Avenue W  
Mountlake Terrace, WA 98043  
425-286-5689  
[laurashore3@allstate.com](mailto:laurashore3@allstate.com)

**Investigator Conducting Interview:** Cheryl Penn

**Others Present During Interview:** N/A

**Location of Interview:** Over the telephone at 425-286-5689

**Interview Audio Recorded:** No

**Declaration Prepared:** Yes

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On the above date licensee Laura Shore was interviewed over the telephone. Ms. Shore stated:

The allegation that she contacted Francis Suarez's clients and sold them flood insurance with the promise that the agency would pay the first year's premium is "bull---t". Francis Suarez is a liar, that he is trying to frame her, and she would like to see him in jail.

Francis Suarez called the consumers himself – it was all his idea. When he found out that it was illegal for him to pay the premium, he asked her to write a letter stating that she was responsible for the act, but she refused.

Francis Suarez has pulled other "shenanigans" but they are more of a personnel issue, such as him forcing his office staff to work in an office that had been flooded, during the repair process. The staff members were getting sick as a result of this decision.



In Re the Matter of:

FRANCIS E. SUAREZ

OIC Case No. 1044742

DECLARATION OF  
LAURA SHORE

I, Laura Shore, under penalty of perjury under the laws of the State of Washington, declare that the following facts are personally known to me, and, if called upon to do so, I could and would testify competently to them.

I know that in the winter of 2009 Francis Suarez was focused on soliciting his family and friends to get flood policies to help protect against the expected severe spring time flooding and to help him personally achieve a bonus, which many agents rely on for operating cost.

At this same time the office was under renovation following a burst pipe which flooded four floors from roof to basement. The noise, dust and chemicals had affected my sinuses and skin, and so I was unable to work more than 20 hours a week in that environment. Francis agreed to let me do some clerical work at home for hourly wage, no commission or bonuses.

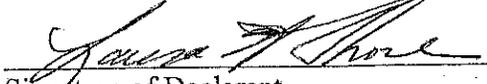
On several occasions he left a list of flood policies on my desk instructing me to write them up at home. These lists included client names, coverage and payment type. This was usually cash, as is the custom among the Suarez extended Filipino family. The next day, I would leave the list and printed policies on Francis's desk for signing. He usually was not there when I was. He did the banking. I had no reason to believe the policies were unusual in any way.

In early 2010 Allstate starting asking questions about these flood policies. Cash was no longer acceptable. We were asked to produce checks and signatures. By the end of February all policies were either paid by check or cancelled with signed authorization.

At no point was I informed either prior to or during the process that Mr. Suarez was paying for the policies, or I would have ceased writing them.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF WASHINGTON STATE THAT THE FOREGOING IS TRUE AND CORRECT.

Dated this 5<sup>th</sup> day of February, 2011.

  
Signature of Declarant

Laura H. SHORE  
Printed Name of Declarant



**Penn, Cheryl (OIC)**

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**From:** Cooper, Debbie [Debbie.Cooper@allstate.com]  
**Sent:** Tuesday, March 01, 2011 1:22 PM  
**To:** Penn, Cheryl (OIC)  
**Subject:** FW: Inquiry From the Office of the Insurance Commissioner

Ms. Penn,

I'm responding on behalf of Mr. Wenneborg and Mr. Smallwood.

Allstate was in the process of investigating allegations that Mr. Suarez may have paid for customer's Flood Insurance premiums when a separate investigation arose. Mr Suarez's Agreement with Allstate was ultimately terminated for reasons that included his failure to preserve the confidentiality of confidential information.

The incident regarding Mr. Suarez's alleged paying for Flood Insurance premiums occurred in December of 2009, when Regional Sales Leader, Larry Wenneborg, received information that a \$58 cash remittance was missing for the Francis Suarez agency and it appeared that multiple \$58 Flood policies were being written by the agency. Wenneborg contacted Suarez and inquired about the missing cash remittance and mentioned the volume of \$58 Flood policies. Over the course of several conversations, Suarez stated the following to Wenneborg and Field Sales Leader, Peter Smallwood:

- His Licensed Support Staff (LAS) ran an audit of his customers
- He reviewed the audit to see which customers might be in need of Flood insurance
- The LAS called customers to review their policies and pitch the need for Flood insurance
- The LAS told the customers that as a courtesy to their long term customers and because of the holiday season the agency would pay their first year premium
- His LAS had contacted the office of the insurance commissioner and received information that it was ok to give customers up to \$50

Wenneborg told Suarez he couldn't pay for people's policies. Wenneborg asked Suarez to call the customers and inform them that a mistake was made, he could not pay for the premium and inquire whether or not they still wanted the policy. Suarez was informed that this incident was being referred to local Human Resources and compliance.

Regards,  
Debbie Cooper  
Human Resource Business Partner

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**From:** Penn, Cheryl (OIC) [mailto:CherylP@OIC.WA.GOV]  
**Sent:** Tuesday, January 25, 2011 9:46 AM  
**To:** psmall@allstate.com; Wenneborg, Larry  
**Subject:** Inquiry From the Office of the Insurance Commissioner

Mr. Smallwood and Mr. Wenneborg:

Allstate informed the Insurance Commissioner that Francis Suarez had sold flood insurance policies to some of his clients promising to pay the first years premium on those policies. When questioned, Mr. Suarez reports that this action was done by one of his employees (Laura Shore) without his knowledge or consent. Mr. Suarez further reports that as soon

as he learned what Ms. Shore had done, he contacted you for advice on how to correct the problem. Is Mr. Suarez's statement correct? Did he contact you to find out what to do? What did you advise him?

Please respond to this inquiry no later than February 22, 2011. Thank you.

*Cheryl Penn*, Investigator

Office of the Insurance Commissioner  
State of Washington

☎ Phone: 360-725-7264

Fax: 360-586-2022

[cheryl.penn@oic.wa.gov](mailto:cheryl.penn@oic.wa.gov)

[www.insurance.wa.gov](http://www.insurance.wa.gov) (Web Site)

Read our insurance blog: [www.wainsurance.blogspot.com](http://www.wainsurance.blogspot.com)

Follow our consumer updates on Twitter: [www.twitter.com/WAinsuranceblog](http://www.twitter.com/WAinsuranceblog)





**Memorandum of Interview**

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**Date:** May 18, 2011  
**OIC Case #:** 1044742  
**Time:** 8:35 AM

**Name /Address of Person Interviewed:** Luningning Murro  
6204 140<sup>th</sup> Place SE  
Everett, WA 98208  
425-948-7129

**Investigator Conducting Interview:** Cheryl Penn

**Others Present During Interview:** N/A

**Location of Interview:** Over the telephone

**Interview Audio Recorded:** No

**Declaration Prepared:** No

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On the above date consumer, Luningning Murro was interviewed over the telephone. Mrs. Murro stated:

Three or four years ago she contacted her Allstate agent Francis Suarez and told him she was looking at obtaining insurance with a different company. At that time, he offered her a free flood insurance policy for a year – she thought it was done as an incentive to get her to stay with his agency. The following year, she received a renewal notice for the policy. She called him and said she wasn't interested because her home was not located in an area prone to flooding. The policy was cancelled.

She no longer has insurance through the Suarez Agency. She has switched companies and is now with Liberty Mutual.

Follow-up Conversation on June 1, 2011: She is not willing to sign a declaration. She feels the information she has already provided should be sufficient.