



FILED

OFFICE OF
INSURANCE COMMISSIONER

2012 APR 12 P 1:24

Hearings Unit, OIC
Patricia D. Peterson
Chief Hearing Officer*In The Matter of*

Alton Butler

NO. 12-0030

OIC HEARING MEMORANDUM

I. FACTS

By Order dated February 7, 2012 the Commissioner revoked the license of Alton Butler, effective February 25, 2012. (OIC Exhibit 1). Mr. Butler holds a Washington resident insurance producer's license, issued September 5, 2008. He is licensed to sell life, disability, property, casualty, and variable lines in Washington. (OIC Exhibit 3).

On September 5, 2008 Mr. Butler submitted an application for a producer's license to the Office of Insurance Commissioner. (OIC Exhibit 2). Question number two on the application asked the licensee the following: "Have you or any business in which you are or were an owner, partner officer or director ever been involved in an administrative proceeding regarding any professional or occupational license?" Mr. Butler answered "no" to this question.

It came to the attention of the OIC in 2011 that Mr. Butler had a Washington State registered nurse license revoked by the Washington State Department of Health Nursing Care Quality Assurance Commission on July 31, 2008, with no right to seek reinstatement for at least 20 years. (OIC Exhibit 4). Mr. Butler signed a Stipulated Findings of Fact, Conclusions of Law and Agreed Order on June 26, 2008 in which he acknowledged that if the Department of Health case as outlined in the Statement of Charges were to proceed to hearing that evidence existed which may have proven that he engaged in inappropriate sexual conduct with a minor.

It is anticipated that Mr. Butler will argue at time of hearing that he checked with his employer at the time he submitted the application and was told he did not need to report the revocation to the OIC. There is no evidence of such from his employer at the time, Family Heritage Life Insurance. Family Heritage maintained a log of all calls from its agents. (OIC Exhibits 6 and 7). There is no evidence that Mr. Butler discussed this issue with his employer. Moreover, the issue is irrelevant. It is the licensee's sole responsibility to make a determination as to whether the registered nurse license revocation needed to be disclosed. If Mr. Butler had any question, he should have contacted the OIC. The evidence will show at time of hearing that had Mr. Butler disclosed the revocation of his registered nurse license and the reasons behind the revocation, that he would not have been issued an insurance producer license.

II. LEGAL AUTHORITY AND ARGUMENT

Mr. Butler violated the following insurance code provisions by failing to disclose to the OIC the revocation of his registered nurse license:

1. **RCW 48.17.090** requires an individual applying for a resident producer license to declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief.

2. **RCW 48.17.530(1)** authorizes the Commissioner to revoke the licensee of any producer for:
 - (a): providing incorrect, misleading, incomplete, or materially untrue information in the license application;
 - (b): violating any insurance laws;
 - (c): obtaining or attempting to obtain a license through misrepresentation or fraud; and
 - (h): engaging in conduct involving the use of fraudulent, coercive, or dishonest practices, and for demonstrating incompetence, untrustworthiness, and financial irresponsibility in this state.

The evidence submitted by the Commissioner supports and justifies that the revocation should be upheld. Mr. Butler obtained an insurance producer license by misrepresenting pertinent information on his application for a license. The conduct outlined in the DOH documents (OIC Exhibit 4) further demonstrates that Mr. Butler does not exhibit the trustworthiness necessary to maintain an insurance producer license. Both the failure to disclose the revocation of his registered nurse license and the reasons behind the revocation, inappropriate sexual contact with a minor, both jointly and severally justify revocation of Mr. Butler's insurance producer license.

III. CONCLUSION

For the conduct described herein and in accordance with the above cited violations of the insurance code, the OIC urges the Hearing Officer to uphold the revocation of Mr. Butler's

insurance producer license.

Respectfully Submitted this 11 day of April, 2012.

MIKE KREIDLER
Insurance Commissioner

By 
Robin E. Aronson
Staff Attorney
Legal Affairs Division
(360) 725-7181
RobinA@oic.wa.gov

