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OFFICE OF
INSURANCE COMMISSIONER

2012 APR 23 P 12:25

HEARINGS UNIT
Fax: (360) 664-2782

Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Hearings Unit
Patricia D. Petersen
Chief Hearing Officer
Kelly A. Cairns
Paralegal
(360) 725-7002
KellyC@oic.wa.gov

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

| | | |
|---------------------------------------|---|---------------------------|
| In the Matter of |) | Docket No. 12-0035 |
| |) | |
| WALLS INSURANCE AND SECURITIES |) | NOTICE OF HEARING |
| SCHOOL and M. SCOTT REILLY, |) | |
| |) | |
| Insurance Education Provider |) | |
| _____ |) | |

TO: Walls Insurance and Securities School
M. Scott Reilly
555 116th Avenue NE, Suite 125
Bellevue, WA 98004

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

On February 8, 2012, the Insurance Commissioner (OIC) mailed a proposed Consent Order Levying a Fine, No. 12-0035, to Walls Insurance and Securities School and to M. Scott Reilly, its owner (collectively referred to as "Walls"). Said Consent Order proposed the imposition of a fine in the amount of \$8,475 (with a conditional suspension of \$6,475 of the fine) against Walls for its failure to timely submit, electronically, rosters for the continuing insurance education courses it provides, as required by WAC 284-17-272(1)(h). The OIC asserts that although Walls has been sent numerous notices and reminders of the reporting requirement, during a ten month period in 2011 Walls submitted 113 classroom course attendee rosters which were not submitted within the deadline required by WAC 284-17-272(1)(h).



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In response to the proposed Consent Order, on March 6, 2012, Walls filed a Demand for Hearing to contest the OIC's action, asserting that technical difficulties with the OIC's online reporting system and clerical errors had been the cause of some tardy reports and that Walls had been compliant with WAC 284-17-272(1)(h).

On March 22, 2012, the undersigned held a first prehearing conference in this matter, which included all parties. The OIC was represented by Marcia Stickler, Esq., Staff Attorney in the OIC's Legal Affairs Division. Mr. Reilly appeared pro se representing himself and Walls Insurance and Securities School. The undersigned reviewed procedure to be expected at hearing and answered all questions and concerns of the parties. The parties agreed that this hearing should be held on May 11, 2012.

Accordingly, **YOU ARE HEREBY NOTIFIED that a hearing will be held commencing on Friday, May 11, 2012, at 10:00 a.m., Pacific Standard Time.** The purpose of this hearing, which will include all parties, is to consider whether Walls' activities set forth in the OIC's proposed Consent Order constituted violations of the Insurance Code justifying imposition of a fine against Walls, or justify some other form of disciplinary action such as suspension or revocation of Walls' insurance education provider license.

The OIC will appear by and through Marcia Stickler, Staff Attorney in the OIC's Legal Affairs Division. Ms. Stickler's address is Office of the Insurance Commissioner, Legal Affairs Division, P.O. Box 40255, Olympia, WA 98504-0255 and her telephone number is (360) 725-7048. Mr. Reilly will appear pro se representing himself and Walls Insurance and Securities School, although he is advised that he may retain an attorney to represent Walls at any time. Walls Insurance and Securities School and Mr. Reilly's business address is 555 116th Avenue NE, Suite 125, Bellevue, WA 98004, and the telephone number is (425) 990-3366.

Patricia D. Petersen, Esq., Presiding Officer, who serves as Chief Hearing Officer for the Office of the Insurance Commissioner, has been designated to hear and determine this matter. Her address is Office of Insurance Commissioner, P.O. Box 40255, Olympia, Washington 98504-0255. Her telephone number is (360) 725-7105. All interested individuals and entities who have questions or concerns concerning this proceeding should direct them to her Paralegal, Kelly Cairns, at the same address, at kellyc@oic.wa.gov or by telephone to (360) 725-7002.

The hearing will be held under the authority granted by the Insurance Commissioner under Chapter 48.04 RCW. The basic facts relied upon are those set forth above, which are more specifically included in the OIC's proposed Consent Order and in Walls' above-referenced Demand for Hearing.

The hearing will be governed by the Administrative Procedure Act, Chapter 34.05 RCW, and the model rules of procedure contained in Chapter 10-08 WAC. All parties may be represented at the hearing. They may examine witnesses and fully respond and present evidence and argument on all issues involved.

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As required by RCW 34.05.434(2)(i), you are advised that a party who fails to attend or participate in any stage of the proceeding may be held in default in accordance with Chapter 34.05 RCW.

Pursuant to WAC 10-08-040(2) and in accordance with ch. 2.42 RCW, if a limited English speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness therefore, except as may be provided by ch. 2.42 RCW. A Request for Interpreter form is attached to the original of this Notice, with instructions thereon.

This Notice is provided pursuant to RCW 48.04.010 and RCW 34.05.434.

Based upon the above activity,

IT IS HEREBY ORDERED that the adjudicative proceeding in this matter shall commence on May 11, 2012, at 10:00 a.m., Pacific Standard Time, continuing on each successive day until terminated, in the Office of the Insurance Commissioner, 5000 Capitol Blvd., Tumwater, WA.

ENTERED AT TUMWATER, WASHINGTON, this 23rd day of April 2012, pursuant to Title 48 RCW and specifically RCW 48.04 and Title 34 RCW and regulations applicable thereto.

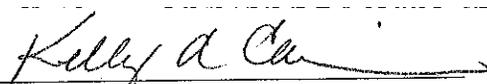


PATRICIA D. PETERSEN
Presiding Officer

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: M. Scott Reilly and Walls Insurance and Securities School, Mike Kreidler, Michael G. Watson, John F. Hamje, Esq., Marcia Stickler, Esq., and Carol Sureau, Esq.

DATED this 23rd day of April 2012.



KELLY A. CAIRNS

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Patricia D. Petersen
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Paralegal
(360) 725-7002
Hearings@oic.wa.gov

To request an interpreter, complete and mail this form to:

Chief Hearing Officer
Office of Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

REQUEST FOR INTERPRETER

I am a party or witness in Matter No. 12-0035, before the Insurance Commissioner. I NEED AN INTERPRETER and request that one be furnished.

Please check the statements that apply to you:

I am a non-English-speaking person. I cannot readily speak or understand the English language. My primary language is _____ (insert your primary language). I need an interpreter who can translate to and from the primary language and English.

I am unable to readily understand or communicate the spoken English language because:

- I am deaf.
- I have an impairment of hearing.
- I have an impairment of speech.

[Please state below or on the reverse side any details which would assist the Commissioner or Presiding Officer in arranging for a suitable interpreter or in providing appropriate mechanical or electronic amplification, viewing, or communication equipment.]

Date: _____

Signed: _____

Please print or type your name: _____

Address: _____

Telephone: _____