

SINSHEIMER & MELTZER, INC., P.S.

FILED

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2012 MAY -1 A 9:13

W. JOHN SINSHEIMER  
RONALD J. MELTZER  
STUART J. SINSHEIMER  
LOIS K. MELTZER

Heidi G. ...  
Patricia D. Petersen  
Chief Hearing Officer

April 26, 2012

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

Re: In Re the Matter of Sam Y. Chan  
No. 12-0103  
WAOIC: 173819  
NPN: 5771449  
Our File No: 12066.12066

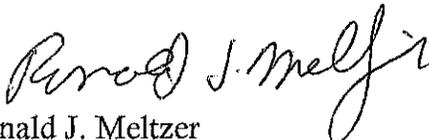
Dear Ms. Petersen:

You are hereby notified that Sam Y. Chan, by and through his attorneys Sinsheimer & Meltzer, requests a hearing of the Order Revoking License dated April 17, 2012, a copy of which is attached hereto.

The allegations in the Order are not legally or factually sufficient to require a revocation of the license.

Sincerely,

SINSHEIMER & MELTZER, INC., P.S.

  
Ronald J. Meltzer

Enclosure



OFFICE OF  
INSURANCE COMMISSIONER

*In The Matter of*

Sam Y. Chan,

Licensee.

NO. 12-0103  
WAOIC 173819  
NPN 5771449

ORDER REVOKING LICENSE

To: Sam Y. Chan  
14415 SE 188th Way  
Renton, WA 98058-9333

**IT IS ORDERED AND YOU ARE HEREBY NOTIFIED** that your Washington State insurance producer license is **REVOKED**, effective **May 7, 2012**, pursuant to RCW 48.17.530 and RCW 48.17.540(2).

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

1. Sam Y. Chan holds a Washington resident insurance producer's license.
2. In late March of 2008, Mr. Chan made a false report of an allegedly stolen truck to Renton, WA police. He also supported his false report with an affidavit, one in which he notarized his own signature. Police investigated and determined that Mr. Chan's claim about the truck being stolen was false. In early April of 2008, police met with Mr. Chan, told him they did not believe he had told the truth, and reminded him he gave a statement under penalty of perjury. After Mr. Chan continued to lie,<sup>1</sup> he was arrested and charged with giving "a false or misleading statement to a public servant – Chan knowingly filed a false police report and gave a false statement in reporting a truck stolen knowing that it was untrue." In June of 2008, Mr. Chan entered into a plea agreement, pleading guilty to an amended charge of hindering, delaying, or obstructing a law enforcement officer, and in exchange, he received a deferred sentence.<sup>2</sup> Following his conviction, in his April 2010 license renewal submitted to the Washington State Office of the Insurance Commissioner ("OIC"), Mr. Chan answered "no" to the question, "[h]ave you been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime, which has not been previously reported to this state?"

<sup>1</sup> After being placed under arrest, in the police car on the way to the station Mr. Chan said he knew he had been wrong, but after being unable to locate the truck, he got mad. He also said he would have admitted the lie at his office, if he hadn't been in earshot of his employees.

<sup>2</sup> This charge was later dismissed, pursuant to the plea deal, which called for Mr. Chan to meet specific conditions of probation for 6 months.

3. In May of 2010, OIC received a consumer complaint about an annuity being cashed out against his wishes after Mr. Chan attempted to sell the 84-year-old consumer an insurance company's indexed annuity (which had a maturity date when the consumer would have turned 99.) Mr. Chan knew the consumer was confused when he signed papers, and later said "there seemed to be so much paperwork that he was not always clear on what he was signing." The consumer claimed he told Mr. Chan about errors in the application, and that in response Mr. Chan allegedly said "that won't make any difference;" Mr. Chan denied this, though he acknowledged he did have a telephone call with the consumer after the funds were transferred, in which the consumer said "there must have been some miscommunication."

4. In late 2009, former OIC licensee Jasmine Kassim asked Mr. Chan to notarize a document, attesting that he had witnessed an elderly insured sign his own name on an annuity withdrawal form. Mr. Chan did as Ms. Kassim asked, but he did not actually witness the person sign the form. After this was discovered and investigated by the insurer in 2011, Mr. Chan told the investigator he notarized the form, but didn't follow 'protocol.' Mr. Chan said he did not sign his name next to the notary stamp, and while he did not actually see the annuitant sign the document, he said he did notarize it in front of the annuitant's house, inside a vehicle. Later, Mr. Chan telephoned the investigator back to admit he had lied earlier. He explained that he did not actually notarize the document at the annuitant's residence, as he earlier stated, but did it at a restaurant with Ms. Kassim, and the annuitant wasn't present. Mr. Chan later met with an OIC investigator and admitted that he falsely notarized a document that had already been signed. He also said he hadn't "falsely" notarized any other documents. He also told the OIC investigator "a couple of agents took my notary [stamp] & forge[d] my signature." He also said he had gotten rid of his notary stamp. The same day Mr. Chan met with the OIC investigator, he resigned his notary appointment. He has since failed to advise OIC of his address of record.

5 Pursuant to RCW 48.17.530(1), the Commissioner may revoke the license of any insurance producer. Licensee Sam Y. Chan's above-referenced conduct violated numerous provisions of the Insurance Code, including by repeatedly using fraudulent or dishonest practices, and repeatedly demonstrating his untrustworthiness (RCW 48.17.530(1)(h)); willfully failing to reveal a material fact relative to an application for an annuity, and willfully failing to reveal a material fact relative to an annuity withdrawal attempt (RCW 48.30.210); providing incorrect, misleading, incomplete, and materially untrue information in a license application (RCW 48.17.530(1)(a)); failing to demonstrate good faith, failing to practice honesty and equity, and using deception in the business of insurance (RCW 48.01.030); failing to affirmatively and properly notify OIC and provide OIC with information and documents regarding a criminal prosecution (RCW 48.17.597(2)); and failing to timely advise OIC of the licensee's address of record (WAC 284-17-(005). Accordingly, the license of Sam Y. Chan is hereby ordered **REVOKED**.

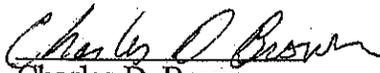
**IT IS FURTHER ORDERED** that Sam Chan immediately return to OIC his certificate of his resident insurance producer license, and that he shall do so on or before the effective date of this Order Revoking License, as required by RCW 48.17.530(4). Such license shall be delivered to:

Order Revoking License  
Order No. 12-0103  
Page 2 of 4

ATTN: Licensing Manager, Office of the Insurance Commissioner, P O Box 40257, Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this 17<sup>th</sup> day of April, 2012.

MIKE KREIDLER  
Insurance Commissioner

By   
Charles D. Brown  
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

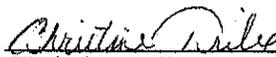
CERTIFICATE OF MAILING

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 and e-mail at the below indicated addresses:

Sam Y. Chan  
14415 SE 188th Way  
Renton, WA 98058-9333

SIGNED this 17<sup>th</sup> day of April, 2012, at Tumwater, Washington.

  
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Christine Tribe