

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



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OFFICE OF
INSURANCE COMMISSIONER

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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of)	Docket No. 12-0103
)	
SAM Y. CHAN,)	AMENDED FINDINGS OF FACT,
)	CONCLUSIONS OF LAW,
Licensee.)	AND FINAL ORDER ENTERED
_____)	PURSUANT TO ORDER ON MOTION
)	FOR RECONSIDERATION

TO: Sam Y. Chan
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John F. Hamje, Deputy Commissioner, Consumer Protection Division
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The sole purpose of this Amended Findings of Facts, Conclusions of Law and Final Order is to amend Finding of Fact No. 3 (and to correct a single word in Finding of Fact No. 6 for clarification only) to reflect the undersigned's Order on Licensee's Motion for

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Reconsideration entered August 7, 2013, as indicated. All other language contained in the undersigned's original Findings of Facts, Conclusions of Law and Final Order entered May 9, 2013 remains unchanged and with the same force and effect.

Pursuant to RCW 34.05.434, 34.05.461, 48.04.010 and WAC 10-08-210, and after notice to all interested parties and persons the above-entitled matter came on regularly for hearing before the Washington State Insurance Commissioner commencing at 10:00 a.m. on September 6, 2012, and continuing on October 12, October 26, November 15, and December 7, 2012. All persons to be affected by the above-entitled matter were given the right to be present at such hearing during the giving of testimony, and had reasonable opportunity to inspect all documentary evidence. The Insurance Commissioner appeared pro se, by and through Alan Singer, Esq., Staff Attorney in his Legal Affairs Division. Sam Y. Chan was represented by his attorney, Ronald J. Meltzer, Esq. of Sinsheimer & Meltzer, Inc., P.S.

NATURE OF PROCEEDING

The purpose of the hearing was to take testimony and evidence and hear arguments as to whether the Insurance Commissioner's Order Revoking License, No. 12-0103, entered April 17, 2012, revoking the Washington resident insurance producer's license of Sam Y. Chan ("Licensee") should be confirmed, set aside or modified. In said Order Revoking License, the Insurance Commissioner ("OIC") alleges multiple violations of the Insurance Code by the Licensee, including violations of RCW 48.17.530(1)(a) and RCW 48.17.597(2). The OIC further alleges 1) that the Licensee violated RCW 48.30.210 when he confused and misled an elderly consumer by failing to reveal material facts while selling the consumer an indexed annuity and cashing out an annuity the consumer had already purchased from another producer; and (2) that the Licensee, acting as a Notary Public, falsely notarized a document that had already been signed out of his presence. By these and other actions, the OIC asserts that the Licensee has repeatedly used fraudulent or dishonest practices, and repeatedly demonstrated his untrustworthiness as contemplated by RCW 48.17.530(1)(h), and has failed to demonstrate good faith and practice honesty and equity in the business of insurance as contemplated by RCW 48.01.030. On April 26, 2012, the Licensee filed a Demand for Hearing to contest the OIC's order.

FINDINGS OF FACT

Having considered the evidence and arguments presented at the hearing, and the documents on file herein, the undersigned presiding officer designated to hear and determine this matter finds as follows:

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1. The hearing was duly and properly convened and all substantive and procedural requirements under the laws of the state of Washington have been satisfied. This Order is entered pursuant to Title 48 RCW and specifically RCW 48.04; Title 34 RCW; and regulations pursuant thereto.

2. Sam Yee Chan ("Licensee") is a 36 year old individual who is a resident of Renton, WA. Since 2000, he has held a resident insurance producer's license issued by the Washington State Insurance Commissioner ("OIC"). The Licensee immigrated from China in or about 1987 at the age of 11. [Testimony of Licensee.] He grew up in Sunnyside, Washington. He attended Central Washington State University on a full scholarship and received his B.S. degree in actuarial science from that institution in or about 1999. [Testimony of Licensee.] After he graduated from college, he applied to the OIC for a Washington life and disability insurance producer's license. In his original 2000 Application to the OIC, the Licensee falsely identified himself as *Sam Y. Chan* and falsely stated his "previous name if name change" as *Chan Chak Yee*. The Licensee again falsely identified himself as *Sam Y. Chan* in 2001 when obtaining his Washington property and casualty insurance producer's license from the OIC. [Declaration of Christine Tribe filed with OIC's Motion to Supplement Record filed November 6, 2012, Ex. D, Licensee's OIC Individual Insurance License Application and related testing documents.] In fact, the Licensee changed his name from *Chak Yee Chan* to *Sam Yee Chan* on June 4, 2004, four years after submitting his original 2000 OIC Application for an insurance producer's license. [Declaration of Tribe, Ex. C, King County District Court Case (name change) No. Y4-007872 documents.]

3. Subsequently, in 2010, in order to renew his Washington insurance producer's license, the Licensee was required to file a Renewal Application. He filed his Renewal Application on April 7, 2010. [Testimony of Licensee; OIC Ex. YY, Declaration of Jeff Baughman, at Ex. A attached thereto, Licensee's Application Summary (Renewal Application).] In this Renewal Application, at Question No. 1, the Licensee was asked *Have 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?* The Licensee falsely answered *No* to this question. His answer was correct because even though in April 2008, pursuant to the terms of his plea agreement, he plead guilty and was had been convicted of the crime of Obstruction of a Law Enforcement Officer. [Ex. VV, Renton Municipal Court records.] Although the court order provided that if the Licensee paid the fine and completed probation then sentencing on his judgment case would be dismissed still his answer to Question No. 1 in his Renewal Application was false because the Licensee had been convicted of the crime of Obstructing Law Enforcement Officer in 2008. In December 2008 he did complete the terms of his deferred sentence by paying the fine and successfully completing six months probation and therefore according to the plea agreement approved by the court his case - including the conviction - was dismissed. (See Findings relative to this case below.) Nevertheless in addition, the Licensee failed to promptly

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report the prosecution ~~his conviction~~ of this crime to the OIC in 2008 as required.

4. The Licensee held a Washington State Notary License for some seven years, until 2012. In 2011, the Washington State Department of Licensing ("DOL") received and investigated allegations that the Licensee violated the laws regulating his appointment as a Notary Public which resulted in the Licensee executing a Declaration on July 19, 2011 admitting that he did not actually witness the signature of Larz Anderson, an elderly Washington resident, on an application for insurance he notarized on December 10, 2009. [OIC Ex. ZZ, Declaration of Linda Mead, DOL Program Manager for the Notary Public Program, at Ex. B attached thereto.] On that same date, July 19, 2011, the Licensee chose to resign his Notary appointment via an email to DOL. [OIC Ex. ZZ, Declaration of Mead, at Ex. C.] Subsequently, on February 8, 2012 DOL took disciplinary action against the Licensee, ordering that his Notary appointment be revoked and that he could not reapply for five years and other conditions, based upon DOL's two-page statement of charges bearing that date. [OIC Ex. ZZ, Declaration of Mead, at Ex. A.] While DOL also mailed the Licensee a form to request a hearing to contest these charges, the Licensee did not choose to contest these charges and the DOL's order against him stands. [OIC Ex. ZZ, Declaration of Linda Mead.] Additionally, the Licensee failed to promptly report this administrative action to the OIC as he was required to do. [Testimony of Licensee.]

5. From 2000 to 2008 the Licensee worked for American General Insurance Company, first from 2000 to 2002 as a Loan Officer and a producer (selling American General life insurance including annuities) and then from 2002 to 2008 as a Finance Manager. In 2008 American General first suspended the Licensee and then terminated him because in that year he was convicted of a crime based on his activities conducted in the course of his employment with American General. More specifically, when he was employed by American General as a Finance Manager, his duties included supervising employees and collecting and/or repossessing on delinquent accounts (and also still as a producer). When the American General accounts were delinquent, the Licensee often appeared at borrowers' homes to collect on these debts and he also occasionally repossessed vehicles in connection with delinquent accounts as well. [Testimony of Licensee.] Therefore, in March 2008, the Licensee was assigned to collect on an approximately \$95,000 American General loan for the purchase of a very large long haul (Freightliner) truck because the borrower, Yen Ta, was some five months behind in his payments to American General. [Testimony of Licensee.] If the borrower could or would not pay the delinquent amount then the Licensee was required to repossess the truck. Accordingly, on or about March 27, 2008, the Licensee came to the home of the borrower to collect the delinquent amount, but the borrower would or could not make payments on this debt. The Licensee did not want to repossess the truck, however, because he was uncomfortable with the situation. [Testimony of Licensee.] Instead, the Licensee sought out the Renton Police Department, met with officers there, and filed a complaint falsely stating under oath that he had repossessed the truck on March 27, 2008 and parked it in a lot across the street from the American General office, but that then the truck had been stolen from the lot sometime between

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March 28 and March 31, 2008. [OIC Ex. UU, Renton Police Department records; Testimony of Licensee.] To substantiate his story, the Licensee filled out and executed an Affidavit of Repossession. [OIC Ex. WW, Affidavit of Repossession.] After police had questioned whether the truck had been repossessed from the address listed on the Affidavit of Repossession, the Licensee changed his story to say that actually an Asian male between 30 and 40 years old had returned the truck to the American General office and left it in the lot across the street. [OIC Ex. UU, Renton Police Department records.] The Licensee simply made up his false statement to the Renton Police Department that on March 31, 2008 the truck was stolen. [Testimony of Licensee.] The Licensee's intent was to have the Renton Police Department essentially repossess the truck instead of his having to repossess it himself. [Testimony of Licensee.] Additionally, the Licensee notarized his own signature on the Affidavit of Repossession which was in clear violation of rules governing Notaries. [Testimony of Licensee; OIC Ex. WW, Affidavit of Repossession; OIC Ex. ZZ, Affidavit of Mead.]

6. In response to the false Complaint which the Licensee filed with the Renton Police Department on March 31, 2008, law enforcement officers with the Department spent many hours searching for the truck and conducting their investigation of the alleged theft. [Ex. UU, Renton Police Department records.] The Police Department finally concluded that the truck had not been stolen and that the Licensee had submitted the Complaint and Affidavit to the Renton Police Department knowing that it was false. On April 10, 2008 he was arrested and charged with Making a False Statement to a Public Servant, he went to jail and posted his own bail at that time. [OIC Ex. VV, Renton Court records.] On April 21, 2008 he appeared for arraignment, pled not guilty and demanded a jury trial, with his Pre Trial Conference scheduled for May 28, 2008. Thereafter, after his requested continuance, on June 24, 2008 as a result of a plea bargain he pled guilty to and was convicted of Obstruction of a Law Enforcement Officer, in his case also a crime involving dishonesty and breach of trust. His judgment included a provision that his ~~sentence case~~ would be dismissed if he paid a \$500 fine and completed six months probation. On December 16, 2008 he completed the conditions of deferral of his sentence and the case was closed. [OIC Ex. VV, Renton Municipal Court records.] The Licensee failed to report this criminal prosecution to the OIC as he was required to do. On the basis of the Licensee's activities regarding repossession of the truck and his subsequent charges, arrest and conviction detailed above, American General promptly terminated the Licensee's employment with the company. [Testimony of Licensee.]

7. On April 24, 2008, just 14 days after he was arrested, was charged and apparently went to jail for the above crime, the Licensee applied to Bankers Life Insurance Company ("Bankers Life") to work as an insurance producer selling only annuities, life insurance, long term care insurance and Medicare supplement insurance to senior citizens over 50 years of age. [Testimony of Licensee.] Although the Licensee falsely stated under oath that he never told Bankers Life about this crime because "they never asked me that" [Testimony of Licensee at 3:53:04 of second day of hearing], in fact in his Bankers Life Application for Employment [OIC

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Memorandum re November 15 Oral Motion on Licensee's Bankers Life Application and Contract filed November 16, 2012, Attach. 1, Bankers Life Application], Bankers Life asked the Licensee, in Question 4, *Have you ever pled guilty ... or been convicted of a misdemeanor or felony, including but not limited to crimes involving dishonesty, breach of trust, or a violation of any federal law concerning the business of insurance?* Contrary to the OIC's assertion, the Licensee's response of *No* to this question was technically correct because on the date of his application to Bankers Life although he had been arrested and charged with Making a False Statement to a Public Servant (a crime contemplated by this question) he had technically not yet *pled guilty or been convicted* of this crime as of that date; he did not plead guilty or get convicted of Obstruction of a Law Enforcement Officer (also a crime contemplated by this question) for these activities until June 24, 2008 which was two months after he completed and filed his Bankers Life Application. However, in his response to Question No. 1 in the Bankers Life Application, the Licensee did falsely state that he had never been known by or conducted business in any name other than *Sam Chan*. Further, the Licensee failed to report his pleading guilty and conviction of the crime of Obstruction of a Law Enforcement Officer promptly to the OIC in June 2008 as required; indeed, he never reported his pleading guilty or conviction of this crime either to the OIC or to Bankers Life.

8. Bankers Life was unaware of the crime for which the Licensee had been arrested and charged when it hired the Licensee, or of the crime to which he actually plead guilty and was convicted on June 24, 2008. The Licensee began work for Bankers Life on or about April 24, 2008. [Testimony of Albert Hawks, Regional Director of Bankers Life and Casualty; OIC Ex. XX, OIC Master Record Printout, showing date of appointment with Bankers Life as April 24, 2008.] While working for Bankers Life, the Licensee worked at least three of those years with producer Jasmine Kassim, a top producer for Bankers Life who helped train the Licensee and took him on field calls and included him in some of her business transactions. At Kassim's request, and even though at that time the Licensee had held a Notary License for six to seven years, the Licensee provided his Notary stamp and signature on at least one of Kassim's insurance applications for a senior citizen, falsely stating under oath that he had been present and witnessed the senior's signature on those documents when in fact he had not even been present at the time the signature was made and never even met the senior. [Testimony of Licensee.] Since that time, Kassim has been arrested, convicted and is serving jail time for various crimes involving insurance fraud conducted in the course of her employment with Bankers Life. [OIC Ex. IIII, Kent Reporter news article dated March 12, 2012; OIC Ex. CC, OIC Special Investigations Unit documents.] Three days after the OIC conducted its interview with him, and the Licensee knew that Bankers Life was going to terminate him, he emailed in his resignation to Bankers Life. [Testimony of Hawks; Testimony of Hanson; Testimony of Licensee.] Additionally, the Licensee knew, and allowed, other individuals in the Bankers Life office to use his personal Notary Stamp and to forge his signature as the Notary, even though he knew this was in violation of statute. [Testimony of Licensee; Testimony of Hanson.]

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9. It is noted that the Licensee maintains that, in at least one of the signatures to which he attested as Notary but was in fact not present, he cannot be faulted because although he signed that document as Notary, and affixed his notary stamp to this document, that notary stamp does not bear the attestation clause wherein the notary swears s/he actually witnessed the signing of the document. Based upon the briefs and oral arguments of both parties, it is here found that the Licensee's argument is without merit: the notary stamp and his signature provide every evidence of being a complete notarization, and, indeed, the Licensee testifies that his *intent was to notarize this document* including acknowledging and witnessing the signature, and that he *was intending to perform a notarial act*. [Testimony of Licensee.]

10. In 2010, while representing Bankers Life, the Licensee met with Donald E. Schevers ("Schevers"), what at that time was 84 years old and residing alone in Bothell, WA. The Licensee had contacted Schevers from a list of "orphans" given to him by Bankers Life, meaning Bankers Life insureds who no longer had an assigned Bankers Life agent due to their former agent leaving Bankers Life – the average time an insurance agent works at Bankers Life is three months. [Testimony of Hawks.] At that time Schevers held a long term care policy issued by Bankers Life and at that time had no assigned Bankers Life agent for this policy. The purpose for the Licensee's visit, as explained to Schevers, was to review Schevers' current Bankers Life long term care policy. [Testimony of Licensee; Testimony of Schevers.] The Licensee spent a maximum of 30 minutes reviewing the long term care policy, however the Licensee then spent approximately two and one-half hours reviewing information about Schevers' family, assets, income and liabilities, and his other insurance policies with the intention of selling him more insurance policies if he could. [Testimony of Licensee; Testimony of Schevers.] In the process of this review, the Licensee discovered that Schevers owned an annuity issued by Symetra. This annuity had been owned by Schevers' wife, and upon her death ownership passed to Schevers. Schevers did not want to sell this Symetra annuity because he was pleased with its terms and it was something that he kept as a memory of his wife. [Testimony of Schevers.]

11. Even though Schevers told the Licensee he did not want to sell his Symetra annuity, the Licensee himself filled out the Application for a Bankers Life annuity, and other necessary documents directing Symetra to sell Schevers' Symetra annuity and transfer the proceeds to Bankers Life, and further applying for a new annuity to be issued by Bankers Life and paid for from these proceeds. Schevers did not fill out any of this information himself, but only signed these documents as directed by the Licensee. [Testimony of Schevers; Testimony of Licensee.] The Licensee actually completed some portions of these documents at another location after having Schevers sign these documents, and falsely stated Schevers' income and expenses; if he had completed them correctly Schevers would not have qualified to buy the Bankers Life annuity. [Testimony of Hawks.] In having Schevers sign these papers, however, the Licensee led Schevers to believe that he was signing these papers only to see if he, Schevers, was qualified to purchase the new Bankers Life annuity. The Licensee led Schevers to believe that his Symetra annuity would not be affected and no Bankers Life annuity would be purchased unless

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and until – at some point in the future – the Licensee contacted Schevers back after Bankers Life had determined whether he was qualified and only if Schevers had then decided by that time 1) that he wanted to sell his Symetra annuity; and 2) that he wanted to buy the proposed Bankers Life annuity. Schevers was assured that his signing the paperwork with the Licensee on April 9, 2010 was only checking to see if Schevers qualified to purchase a Bankers Life annuity, that he was not committing to sell his Symetra annuity or buy the Bankers Life annuity but was engaging in preliminary activities which would allow him to decide to sell his Symetra annuity if, in the future, he made the decision to do so. [Testimony of Schevers.] Indeed, during the course of the proceeding it was discovered that there were actually two annuities purchased, against Schevers' wishes, and not just one.

12. After visiting Schevers on April 9, 2010 and having him complete the paperwork, the Licensee submitted the paperwork to Bankers Life. Bankers Life may or may not have performed a qualification review, however Bankers Life approved the transaction, directed Symetra to sell Schevers current annuity and directed Symetra to transfer the funds to Bankers Life. Symetra did sell Schevers' Symetra annuity and transferred the proceeds to Bankers Life, being unaware that any suitability consideration done by Bankers Life was based on false information about Schevers' assets and liabilities provided by the Licensee, and being unaware Schevers did not want to sell his Symetra annuity. [Ex. M, Symetra Confirmation of Account Activity.] Bankers Life issued the new annuity to Schevers on April 26, 2010. [OIC Ex. Q, returned policy 7938639.]

13. On or about April 27, 2010, Schevers discovered that the Licensee had actually caused his Symetra annuity to be sold, the proceeds transferred to Bankers Life and a Bankers Life annuity purchased with the proceeds. Upon his discovery, Schevers contacted the Licensee and advised him that he had not intended this transaction to take place and he therefore wanted to cancel the Bankers Life annuity and keep his Symetra annuity. [Ex. N, April 27, 2010 note of Schevers.] In response, the Licensee stopped by Schevers' home to convince him to "give the Bankers Life annuity a try." On May 4, 2010, the Licensee delivered it to Schevers at his home. [Ex. O, Acknowledgement of receipt of policy dated May 4, 2010.]

14. The Bankers Life annuity was not suitable for Schevers for several reasons, among them: 1) Schevers did not want to sell his Symetra annuity; 2) based on Schevers' actual income and expenses, it was likely he would need these funds for living expenses and they were not available for one year from his initial purchase. Further, 3) while the Licensee advised Schevers and testified at hearing that the funds in the Bankers Life annuity would be available to Schevers after one year, in fact only 10% of these funds would have been available to Schevers each year without surrender penalty. [Testimony of OIC's Victor Overholt; Ex. G, Bankers Life replacement notice form; Testimony of Hawks.] In contrast, these funds were available in the Symetra annuity without surrender penalty if he needed them. It was only after significant effort on the OIC's and Schevers' part that the Bankers Life transaction got reversed. [Testimony of

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Overholt.]

15. As found above, the Licensee immigrated from China in or about 1987 at the age of 11. At the time he immigrated, his legal name was *Chak Yee Chan*. However the Washington State Driver's License he obtained when he was of age identified him as *Sam Yee Chan* although that was not his legal name, and in 1998 he obtained his U.S. Social Security Card using the false name of *Sam Yee Chan*. For the years up until 2004, the Licensee actually identified himself under three different names:

1) His legal name which he bore from the time he immigrated from China at the age of 11 in 1987, *Chak Yee Chan*, which is, e.g., correctly the name he bore as the defendant in a criminal action in 1995.

2) The false name under which he obtained his U.S. Social Security Card in or about 1998, *Sam Yee Chan*, even though his legal name was *Chak Yee Chan*. The Licensee also identified himself as *Sam Yee Chan* on his Washington State Driver's License in 1995 even though his legal name was *Chak Yee Chan*. It was not until 2004 that the Licensee legally changed his name from *Chak Yee Chan* to *Sam Yee Chan* even though, as above, he had been falsely identifying himself as *Sam Yee Chan* in his Washington State Driver's License and U.S. Social Security card for many years. [Ex. C of Declaration of Christine Tribe, attached to OIC Motion to Supplement Record filed November 6, 2012.]

3) Finally, in his 2000 OIC Application for an insurance producer's license the Licensee falsely identified himself as *Sam Yee Chan* with a "previous name" also falsely stated to be *Chan Chak Yee*. [Ex. D of Declaration of Christine Tribe, attached to OIC Motion to Supplement Record filed November 6, 2012.] Use of different names other than his legal name were not likely to lead the OIC to discover any court or regulatory actions in which the Licensee may have been involved when the OIC conducted its records search when considering the Licensee's application for an insurance producer's license.

16. The Licensee failed to inform the OIC promptly of his change of address, including his change of email address, as required. More specifically, even after he was terminated by Bankers Life the Licensee never informed the OIC that his email address was no longer his Bankers Life email address.

17. Donald E. Schevers appeared by telephone as a witness for the OIC. Mr. Schevers, a former businessman himself, has a keen memory and kept very detailed notes of his interactions with the Licensee. He also retained copies of all documents he received from the Licensee. Mr. Schevers presented his testimony in a detailed and credible manner and presented no apparent biases.

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18. Albert Hawks appeared as a witness for the OIC. Mr. Hawks was Regional Director of Banker's Life and Casualty Company. Mr. Hawks was also the Branch Manager of the local Bellevue, Washington office of Bankers Life, and was therefore the Licensee's supervisor, during the time of the events which are the subject herein. Mr. Hawks presented his testimony in a detailed and credible manner and presented no apparent biases.

19. Victor E. Overholt, Investigator for the OIC, appeared as a witness for the OIC. Mr. Overholt was one of the two OIC Investigators who handled this case. Mr. Overholt presented his testimony in a detailed and credible manner and presented no apparent biases.

20. Allison Hanson, Investigator for the OIC, appeared as a witness for the OIC. Ms. Hanson was one of the two OIC Investigators who was involved in this case. Ms. Hanson presented her testimony in a detailed and credible manner and presented no apparent biases.

21. Sam Y. Chan, the Licensee, appeared as a witness for the OIC and as sole witness on his own behalf. Mr. Chan most often responded to even basic questions under oath with "I don't recall," "I don't know," "I am not sure," and "I may have, I don't know/recall." He has falsely assumed a persona of someone who simply doesn't understand, is not able to remember or simply never knew many basic facts, when in fact he is an educated, articulate, sophisticated individual who has been successful in his insurance career but who has now been asked to be accountable for what may have been just a portion of the questionable activities he may have been involved in over the years. The Licensee failed to present his testimony in any detail and was not credible.

22. Based upon the above Findings of Facts, it is reasonable that the OIC's Order Revoking License, No. 12-0103, revoking the insurance producer's license of Sam Yee Chan, be upheld.

CONCLUSIONS OF LAW

Based upon the above Findings of Facts, it is hereby concluded:

1. The adjudicative proceeding herein was duly and properly convened and all substantive and procedural requirements under the laws of the state of Washington have been satisfied. This Order is entered pursuant to Title 48 RCW and specifically RCW 48.04; Title 34 RCW including, for good cause shown, RCW 34.05.458(8); and regulations pursuant thereto.

2. In his activities found above, the Licensee repeatedly used fraudulent or dishonest practices, and repeatedly demonstrated his untrustworthiness as contemplated by RCW

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48.17.530(1)(h). By his activities in the Schevers matter, the Licensee also willfully failed to reveal a material fact relative to an application for an annuity, and willfully failed to reveal a material fact relative to an annuity withdrawal attempt and thereby violated RCW 48.30.210, and provided incorrect, misleading, incomplete, and materially untrue information in a license application and thereby violated RCW 48.17.530(1)(a). By his activities found above, the Licensee also failed to demonstrate good faith, failed to practice honesty and equity, and used deception in the business of insurance and thereby violated RCW 48.01.030.

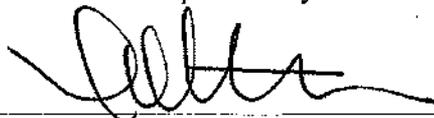
3. By failing to notify the OIC with information and documents regarding his being arrested and charged the Licensee also failed to affirmatively and properly notify the OIC and provide the OIC with information and documents regarding a criminal prosecution in violation of RCW 48.17.597 (2). The Licensee also failed to timely advise the OIC of the Licensee's address of record in violation of WAC 284-17-005.

ORDER

On the basis of the foregoing Findings of Facts and Conclusions of Law,

IT IS HEREBY ORDERED that the Washington State Insurance Commissioner's Order Revoking License, No. 12-0103, is upheld effective on the 15th day following the date of this Order. The Licensee shall return his certificate of his Washington Resident Insurance Producer's License within 15 days of the date of this Order.

ENTERED AT TUMWATER, WASHINGTON, this 7th day of August 2013, pursuant to Title 48 RCW and specifically RCW 48.04 and Title 34 RCW and regulations applicable thereto.



PATRICIA D. PETERSEN
Chief Presiding Officer

Pursuant to RCW 34.05.461(3), the parties are advised that they may seek reconsideration of this order by filing a request for reconsideration under RCW 34.05.470 with the undersigned within 10 days of the date of service (date of mailing) of this order. Further, the parties are advised that, pursuant to RCW 34.05.514 and 34.05.542, this order may be appealed to Superior Court by, within 30 days after date of service (date of mailing) of this order, 1) filing a petition in the

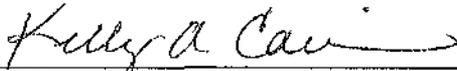
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Superior Court, at the petitioner's option, for (a) Thurston County or (b) the county of the petitioner's residence or principal place of business; and 2) delivery of a copy of the petition to the Office of the Insurance Commissioner; and 3) depositing copies of the petition upon all other parties of record and the Office of the Attorney General.

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: Sam Y. Chan, Ronald J. Meltzer, Esq., Mike Kreidler, James T. Odiorne, John F. Hamje, Esq., Alan Singer, Esq., and Charles Brown, Esq.,

DATED this 14th day of August, 2013.



KELLY A. CARNES