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OFFICE OF
INSURANCE COMMISSIONER

2012 JUL -2 P 12:53

HEARINGS UNIT
Fax: (360) 664-2782

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

Hearings Unit, DIC
Patricia D. Peterson
Kelly A. Caim's Hearing Officer
Paralegal
(360) 725-7002
KellyC@oic.wa.gov

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of)	Docket No. 12-130
)	
GHOLAMREZA NIKZAD AND WOOD)	NOTICE OF HEARING
FINANCIAL SERVICES COMPANY,)	
)	
Licensees.)	
)	

TO: Gholamreza Nikzad
14404 SE 15th Street
Bellevue, WA 98007

Wood Financial Services Company
5200 Southcenter Boulevard, Suite 200
Tukwila, WA 98188

COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
John F. Hamje, Deputy Commissioner, Consumer Protection Division
Jeff Baughman, Licensing Manager, Consumer Protection Division
Charles Brown, Senior 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 May 31, 2012, the Washington State Insurance Commissioner (OIC) issued a Notice of Hearing to Request Imposition of a Fine and Placement of Licenses on Probationary Status to Gholamreza Nikzad and Wood Financial Services Company ("Licensees"). Said Notice of Hearing proposes that the OIC take disciplinary action against the Licensees, who are both insurance producers licensed by the OIC, for alleged violations of RCW 48.03.030(1),



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48,17.470(1) and (2), 48.17.600(1) and WAC 284-12-080(8) and (9), pertaining to recordkeeping of transactions and accounting for premiums and return premiums. Specifically, as stated in the Notice of Hearing, the OIC alleges that the Licensees have failed to retain records of all transactions consummated under their licenses, have failed to account for premiums and return premiums received and failed to promptly remit money received as payment for premiums to the company entitled thereto. OIC further asserts that, as a result of an OIC financial examination, the Licensees were instructed by the OIC to accurately reconstruct their operating account and fiduciary account transactions for 2009 to the present, but have so far failed to do so. The OIC proposed a Consent Order to Licensees which imposes a fine and places the Licensees on probation for a three month period. The Licensees executed the Consent Order, then requested more time to comply and requested a hearing to present their position: for this reason, the OIC advised that it considers the Consent Order not to be in effect at this time.

The Licensees' position is that they need extra time to organize their records, and possibly assistance from the OIC, to comply with the requirements of the OIC. The Licensees further assert that this is not a situation where there has been any theft or malfeasance, funds have always been paid to the insurers and/or refunded to the consumer as appropriate, and otherwise no one has ever been harmed by how the Licensees have maintained their records.

On June 20, 2012, the undersigned held a first prehearing conference in this matter, which included all parties. The OIC was represented by Charles Brown, Esq., Senior Staff Attorney in the OIC's Legal Affairs Division. Mr. Nikzad appeared pro se on behalf of Wood Financial Services Company and himself. 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 commencing on July 10, 2012.

Accordingly, **YOU ARE HEREBY NOTIFIED that a hearing will be held commencing on Tuesday, July 10, 2012, at 10:00 a.m., Pacific Standard Time.** The purpose of this hearing, which will include all parties, is to consider whether the Licensees' alleged activities, set forth in the OIC's Notice of Hearing, constituted violations of the Insurance Code justifying imposition of a fine against the Licensees and placement of the Licensees on probation, or justify some other form of disciplinary action.

The OIC will appear by and through Charles Brown, Staff Attorney in the OIC's Legal Affairs Division. Mr. Brown's address is Office of the Insurance Commissioner, Legal Affairs Division, P.O. Box 40255, Olympia, WA 98504-0255 and his telephone number is (360) 725-7044. The Licensees will appear pro se, with Mr. Nikzad representing himself and Wood Financial Services Company, although they are advised that they may retain an attorney to represent them at any time. The Licensees' business address is 5200 Southcenter Boulevard, Suite 200, Tukwila, WA 98188, and their business telephone number is 206-243-6070.

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-

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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 specifically set forth in the OIC's Notice of 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.

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 July 10, 2012, at 10:00 a.m., Pacific Standard Time, continuing on each successive day until terminated.

ENTERED AT TUMWATER, WASHINGTON, this 2nd day of July, 2012, pursuant to Title 48 RCW and specifically RCW 48.04 and Title 34 RCW and regulations applicable thereto.



PATRICIA D. PETERSEN
Presiding Officer

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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: Gholamreza Nikzad, Wood Financial Services Company, Mike Kreidler, Michael G. Watson, John F. Hamje, Esq., Charles Brown, Esq., and Carol Sureau, Esq.

DATED this 2nd day of July, 2012.



KELLY A. CAIRNS

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(360) 725-7105

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(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. 12-0130, 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: _____