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INSURANCE COMMISSIONER 2013 JUN 19 P 4: 06
HEARINGS UNIT
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Chief Presiding Officer
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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of)
)
FRANCISCO L. MURILLO,)
)
)
Licensee.)
_____)

Docket No. 13-0045
ORDER TERMINATING
PROCEEDINGS

TO: Francisco L. Murillo
30528 5th Avenue SW
Federal Way, WA 98023

Jason W. Anderson, Esq.
Carney Badley Spellman
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010

COPY TO: Mike Kreidler, Insurance Commissioner
James T. Odiorne, Chief Deputy Insurance Commissioner
John F. Hamje, Deputy Commissioner, Consumer Protection Division
Robin Aronson, Staff Attorney, Legal Affairs Division
Charles Brown, Acting Deputy Commissioner, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

On February 5, 2013, the Insurance Commissioner ("OIC") entered an Order Revoking License, No. 13-0045, to Francisco L. Murillo ("Licensee"), revoking his Washington insurance producer's license effective February 25, 2013, based upon the OIC's allegations that the Licensee submitted at least nine automobile insurance applications which contained false Washington state addresses between March 2009 and December 2011, and submitted

ORDER TERMINATING PROCEEDINGS

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applications for individuals who were not Washington state residents. On February 22, the undersigned received and filed a Demand for Hearing from the Licensee requesting a hearing to contest the OIC's Order, and therefore pursuant to RCW 48.04 the OIC's Order was automatically stayed pending the outcome of the hearing. In his Demand for Hearing, the Licensee requested that the matter be presided over by an administrative law judge pursuant to RCW 48.04.010(5). Accordingly, on March 6, 2013 the undersigned transferred this matter and all contents of the hearing file to the Office of Administrative Hearings (OAH) for hearing and the entry of an Initial Order.

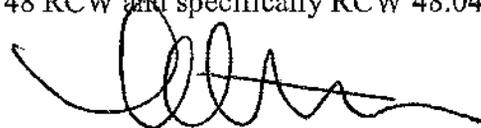
On April 29, 2013, the OIC filed a letter notifying the undersigned that the OIC had reached a settlement with the Licensee. Accompanying the letter was a copy of the Consent Order Rescinding Revocation Order 13-0045, Setting Conditions for Probationary License, and Levying a Fine, No. 13-0127, executed by the Licensee on April 23 and the OIC on April 26. A copy of the OIC's April 29 letter and the Consent Order are attached hereto and are by this reference made a part hereof. The OAH administrative law judge entered a notice of case closure on April 30, 2013 and subsequently returned the case file to the undersigned on May 20.

Relative to Consent Order Rescinding Revocation Order 13-0045, Setting Conditions for Probationary License, and Levying a Fine, No. 13-0127, it is noted that this case was settled prior to the commencement of an adjudicative proceeding. Therefore, for purposes of clarification, while this Consent Order includes statements identified as "Findings of Facts" and "Conclusions of Law," these are not Findings of Fact or Conclusions of Law which were made by an adjudicator after an adjudicative proceeding; rather, the statements contained in the referenced Consent Order which are entitled "Findings of Fact" and "Conclusions of Law" are only statements that are agreed upon between the parties.

Based upon the above activity,

IT IS HEREBY ORDERED that, by the Licensee's and the OIC's execution of the Consent Order on April 23, 2013 and April 26, 2013, respectively, the parties have fully settled this matter and the proceeding herein, Docket No. 13-0045, is dismissed with prejudice. For purposes of clarification, while the referenced Consent Order includes statements identified as "Findings of Fact" and "Conclusions of Law," these are not Findings of Fact or Conclusions of Law which were made by an adjudicator after an adjudicative proceeding; rather, the statements contained in the attached Consent Order entitled "Findings of Fact" and "Conclusions of Law" are only statements agreed upon between the parties themselves.

ENTERED AT TUMWATER, WASHINGTON, this 19th day of June, 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

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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: Francisco L. Murillo, Jason W. Anderson, Esq., Mike Kreidler, James T. Odiorne, John F. Hamje, Esq., Kate Reynolds, Esq., and Charles Brown, Esq.

DATED this 30th day of June, 2013.


KELLY A. CAIRNS

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



Phone: (360) 725-7000
www.insurance.wa.gov

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INSURANCE COMMISSIONER

2013 APR 29 P 1:49

VIA FACSIMILE and US MAIL

Hearings Unit, DIC
Policy Unit, in
Chief, Hearing Officer

April 29, 2013

Administrative Law Judge Terry Schuh
Office of Administrative Hearings
Rhodes Building
949 Market Street, Suite 500
Tacoma, WA 98402

HAND DELIVERED TO HEARINGS UNIT

RE: *In the Matter of: Francisco L. Murillo*

Dear Judge Schuh:

Please find enclosed a copy of the Consent Order to resolve the above-referenced matter. Based on the Consent Order, the parties request an order terminating proceedings.

Please feel free to contact Mr. Anderson or myself should you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Kate Reynolds".

Kate Reynolds
Staff Attorney, Legal Affairs
(360) 725-7179

cc: Jason Anderson, Attorney for Respondent
Mark Durphy, Investigations Manager



OFFICE OF
INSURANCE COMMISSIONER

In The Matter of

FRANCISCO L. MURILLO,

Licensee.

000558973 04/25/13 4,000.00 ✓

ORDER NO. 13-0127

CONSENT ORDER RESCINDING
REVOCATION ORDER 13-0045,
SETTING CONDITIONS FOR
PROBATIONARY LICENSE, AND
LEVYING A FINE

The Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.17.530 and RCW 48.17.560, and having reviewed the official records and files of the Office of the Insurance Commissioner (OIC), makes the following:

FINDINGS OF FACT

1. Francisco L. Murillo (Mr. Murillo) holds a Washington resident insurance producer license, WAOIC No. 700704, issued January of 2007.
2. Between approximately March of 2009 and December of 2011, Mr. Murillo submitted at least 9 automobile insurance applications which contained a false Washington state address for the proposed insured. The addresses used were those of Mr. Murillo or his family members.
3. Mr. Murillo admitted to an OIC Investigator that he submitted applications for individuals who were not Washington state residents. Mr. Murillo also admitted to using his address for these applications.

CONCLUSIONS OF LAW

1. By submitting applications with false information, Mr. Murillo violated RCW 48.17.530(1)(c).
2. By submitting applications with false information, Mr. Murillo used fraudulent, coercive, or dishonest practices, or demonstrated incompetence or untrustworthiness thereby violating RCW 48.17.530(1)(h).
3. By submitting applications with false information, Mr. Murillo made a false statement relative to an application for insurance to an insurer thereby violating RCW 48.30.210.

CONSENT TO ORDER

1. Mr. Murillo, acknowledging his duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of his desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of Mr. Murillo's payment of a fine and such terms and conditions as are set forth below.

2. Mr. Murillo consents to the entry of this Order, waives any and all hearing rights, and further administrative or judicial challenges to this Consent Order.

3. By agreement of the parties, Mr. Murillo's license will be converted to a probationary insurance producer license for twenty-four (24) months commencing on the entry of this Order.

4. During the probationary period, Mr. Murillo agrees to have an insurance producer act as his mentor. That mentor will be Craig Rexroat. If Mr. Murillo wishes a mentor other than Mr. Rexroat, or Mr. Rexroat does not consent, substitution of another mentor will be required. Mr. Murillo may not engage in any activities that constitute the business of insurance without having a current mentor.

a. A "current mentor" must be a person who has signed a Consent Order with OIC agreeing to act in this capacity that is in effect at the time of any insurance activity.

b. Mentor must be a Washington-licensed insurance producer.

c. OIC will perform a background check on the mentor to ensure that mentor has no background issues that would make him/her unsuitable.

d. Mentor must agree to monitor and supervise Mr. Murillo's professional conduct, with possible disciplinary action including fine, suspension, or revocation, for failure to do so.

5. The mentor shall provide quarterly reports on Mr. Murillo's professional conduct during the probationary period. These quarterly reports should be sent to:

Producer Licensing Manager
Office of the Insurance Commissioner
Insurance 5000 Building
P.O. Box 40255
Olympia, WA 98504-0255

a. The quarterly reports will include a list of Mr. Murillo's clients during that quarter. OIC may contact these clients to perform consumer satisfaction interviews/surveys regarding Mr. Murillo's professional conduct.

6. By agreement of the parties, the Insurance Commissioner will impose a fine of nine-thousand dollars (\$9,000) with five-thousand dollars (\$5,000) suspended on the condition that Mr. Murillo commit no further violations of the statutes and regulations that are subject of this Order for a period of two years from the date the Order is entered and otherwise conforms to the terms of the Order.

7. Mr. Murillo further agrees to pay a fine in the amount of \$4,000 within thirty days of the entry of this Order.

8. Mr. Murillo agrees to complete ten (10) hours of continuing ethics education courses on or before December 31, 2013. Mr. Murillo shall submit proof of the completion of any such courses to the Insurance Commissioner within fourteen (14) days of completion or December 31, 2013, whichever is earlier.

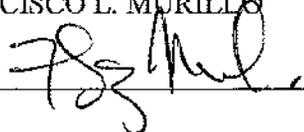
9. Mr. Murillo understands and agrees that any failure to comply with the statutes and regulations that are the subject of this Order constitutes grounds for further penalties in addition to the imposition of the suspended portion of the fine.

a. According the conditions as set forth in the Order, the suspended portion of this fine may be imposed at the sole discretion of the Insurance Commissioner without any right to a hearing, appeal, and/or advance notice.

10. Mr. Murillo's failure to adhere to these conditions shall constitute grounds for revocation of Mr. Murillo's Washington resident insurance producer license.

EXECUTED this 23 day of April, 2013.

FRANCISCO L. MURILLO



CONSENT TO ACT AS MENTOR

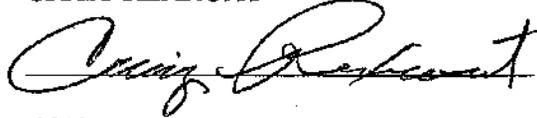
1. Craig Rexroat represents that he will be Mr. Murillo's direct supervisor and will directly supervise all work and recordkeeping of Mr. Murillo throughout the duration of the probationary period or until an order appointing a substitute mentor has been entered with OIC.

2. Mr. Rexroat agrees to be bound by the conditions of this mentorship as set forth in Consent to Order paragraph 4 above. This includes the possibility of disciplinary

action against Mr. Rexroat's insurance producer license as determined appropriate by OIC for any misconduct by Mr. Rexroat as Mr. Murillo's mentor.

3. Mr. Rexroat agrees to report immediately to OIC any observed or discovered violation of the Washington Insurance Code or the terms of this Order by Mr. Murillo.

CRAIG REXROAT



EXECUTED this 23 day of April, 2013.

ORDER

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby Orders as follows:

1. Upon receipt of the signed Consent Order, Mr. Murillo's resident insurance producer license shall be converted to a probationary resident insurance producer license in accordance with the terms outlined above.

2. Mr. Murillo shall pay the unsuspended portion of the fine in the amount of \$4,000 within thirty days of the entry of this Order.

3. Mr. Murillo's failure to pay the fine within the time limit set forth above and abide by the conditions of this Order shall result in the revocation of his resident insurance producer license and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON, this 26th day of April 2013.

MIKE KREIDLER
Insurance Commissioner

By: K. Reynolds
Kate Reynolds
OIC Staff Attorney
Legal Affairs Division