

FILED

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Hearings Unit, DIC
Patricia A. Peterson
Chief Hearing Officer

STATE OF WASHINGTON
OFFICER OF THE INSURANCE COMMISSIONER

In The Matter Of

SASHA T. MILLSTEIN,

Licensee.

ORDER NO. 13-0179

NPN 129493

WAOIC 702770

DEMAND FOR HEARING

COMES NOW Sasha Millstein, by and through its attorney of record, Barokas Martin & Tomlinson, and for formal demand for hearing as permitted by RCW 48.04.010 and states as follows:

1. Ms. Millstein sent a demand for a hearing by email dated, June 19, 2013 to the Office of the Insurance Commissioner, Hearings Unit.

2. Ms. Millstein's demand for hearing was recognized as formal demand for hearing for purposes of meeting the deadline to enable her insurance producer license to remain active.

3. Ms. Millstein makes a Supplemental Demand for Hearing pursuant to RCW 48.04.010 as follow:

a. Aggrieved: Ms. Millstein is the holder of an insurance producer license within the meaning of RCW 48.17 *et. seq.* By order dated, May 31, 2013, the Office of the Insurance Commissioner issued a preliminary order revoking Ms. Millstein's license ("Preliminary Order"). Ms. Milstein is aggrieved by the Preliminary Order, as she will no longer be allowed to act as an insurance producer in the State of Washington.

Demand for Hearing - 1

BAROKAS MARTIN & TOMLINSON
ATTORNEYS AT LAW
1422 BELLVUE AVENUE
SEATTLE, WASHINGTON 98122
TELEPHONE (206) 621-1871
FAX (206) 621-9907

1 b. Relief Requested: Ms. Millstein seeks a hearing for relief including, but
2 not limited to, rescission of the Preliminary Order.

3 c. Grounds Relied Upon: Ms. Millstein relies on the following grounds in
4 seeking relief from the preliminary order:

- 5 i. Lack of sufficient notice – violation of procedural due
6 process;
- 7 ii. Lack of sufficient notice -- violation of the Administrative
8 Procedure Act and RCW 48.04 *et seq.*, and WAC 284-02-
9 070;
- 10 iii. Denial of the conduct alleged in the Preliminary Order;
- 11 iv. Denial of the legal conclusions set forth in the Preliminary
12 Order;
- 13 v. Denial that a license revocation is warranted under the
14 circumstances;
- 15 vi. Failure on the part of the Office of the Insurance
16 Commissioner (OIC) to comply, or otherwise enforce, RCW
17 48.17.475, resulting in prejudice to Ms. Millstein's defense.
- 18 vii. RCW 48.17.530 is unconstitutionally vague
- 19 viii. The Insurance Commissioner unreasonably delayed the
20 issuance of its Preliminary Order, resulting in prejudice to
21 Ms. Millstein's defense.
- 22 ix. That any sanction of OIC should be stayed on the basis of the
23 5th Amendment and Article I §9 of the Washington State
24 Constitution as there exists a reasonable belief that
25 information produced in the hearing could be used in a
26 subsequent criminal prosecution or could be used to obtain
27 additional information to facilitate a criminal prosecution.

28 d. Ms. Millstein reserves the right to amend the grounds for the relief
sought as more information is learned through the course of discovery.

 e. Demand for Hearing to be Presided by the Office of Administrative
Hearings: Pursuant to RCW 48.04.010(5), Ms. Millstein hereby demand that the hearing
be presided over by an administrative law judge assigned under RCW 34.12 *et. seq.*

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DATED this 5th day of July, 2013.

BAROKAS MARTIN & TOMLINSON

By 
Blair M. Russ, WSBA #40374
Attorney for Sasha Millstein

Cairns, Kelly (OIC)

From: SASHA MILLSTEIN [stmillstein@hotmail.com]
Sent: Tuesday, June 18, 2013 4:37 PM
To: Petersen, Patricia (OIC)
Cc: Cairns, Kelly (OIC); Reynolds, Kate (OIC)
Subject: Sasha Millstein Insurance (case no1054977)

*Filed
OIC Hearings Unit
June 18, 2013
KAC*

Dear Madame,

My name is Sasha Millstein. I have a case (#1054977) before you regarding the status of my insurance license.

I am currently in New York's Beth Israel emergency room undergoing tests for abdominal bleeding. I know today is the 30-day deadline to keep my license status active. I want you to know that I intend to respond to the disciplinary hearing, but am asking for an extension of a day or two to allow me to file for a request for a hearing. This is my intention, and while I apologize for not meeting the deadline, I hope you can understand the circumstances. I would be more than happy to furnish you with a doctors note if need be.

Please make a note of my change of address:
413 Grand St. F1107
New York, NY
10002

Feel free to contact via email or phone. My number is 206 850 8344.

Sincerely,

Sasha Millstein
Sent from my iPhone



OFFICE OF
INSURANCE COMMISSIONER

In The Matter of

SASHA T. MILLSTEIN,

Licensee.

ORDER NO. 13-0179
NPN 129493
WAOIC 702770

ORDER REVOKING LICENSE

To: Sasha T. Millstein
4225 Beach Drive SW
Seattle, WA 98116

413 Grand Street, Apt F1107
New York, NY 10002

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your Washington State insurance producer license is **REVOKED**, effective **June 18, 2013**, pursuant to RCW 48.17.530 and RCW 48.17.540(2).

THIS ORDER IS BASED ON THE FOLLOWING:

1. Sasha T. Millstein (Ms. Millstein) held a Washington resident insurance producer license, WAOIC No. 702770, issued July of 2009. Ms. Millstein's license expired in December of 2012.

2. Bankers Life & Casualty Company (Bankers Life) provided the Office of the Insurance Commissioner (OIC) with the results of an internal investigation (Bankers Life investigation). The internal investigation concluded that Ms. Millstein, among other things, submitted policies on her family members during 2009 and 2010 to increase her bonuses and that the family members did not reside in Washington. Additionally, the internal investigation concluded that Ms. Millstein sold an annuity to a former client's beneficiary who did not reside in Washington State, used white-out on original applications to apply for subsequent policy changes, and used the seal of and forged the name of an agent in her branch who was a notary. Based on the results of the investigation, Ms. Millstein's employment with Bankers Life was terminated.

3. As part of the Bankers Life investigation, Ms. Millstein was interviewed. Ms. Millstein signed an interview form on May 25, 2011 attesting the information she provided

during the interview was accurate and truthful. During the recorded interview Ms. Millstein admitted to the conduct which was the subject of the investigation.

4. In or around January of 2011, JH met with Ms. Millstein at JH's deceased father's residence. JH was the beneficiary of an annuity held by her father and placed by Ms. Millstein. JH was in Seattle to move items out of the residence and prepare the residence for sale. At the time, JH resided in Utah with her husband and children.

5. Ms. Millstein sold JH a new annuity into which she rolled the death benefit she received from her father's estate. Although JH told Millstein that she had no intention of moving to Seattle and was returning to Utah, the father's address was used on the annuity application.

6. Additionally, between September of 2008 and August of 2010 Ms. Millstein sold five insurance policies to her mother, BM; step-father, HA; and father, JZ. All five policies were cancelled and three were cancelled within one month of issue. The applications list Washington State addresses which can be traced to either Ms. Millstein or a family member on Mercer Island.

7. Ms. Millstein was listed as the payor of premiums for JZ's insurance policies applied for on September 7, 2008 and July 29, 2010. Ms. Millstein was the payor of premiums for both of HA's insurance policies applied for on July 29, 2010. Ms. Millstein also submitted personal voided checks on policies.

8. The phone number listed on a couple of applications as JZ and HA's phone number is Ms. Millstein's personal phone number. Another application for JZ lists a New York phone number and the application written for JZ by Millstein's colleague lists a phone number that appears to be Ms. Millstein's brother's cellular phone number.

9. In the recorded interview during the Bankers Life investigation Ms. Millstein confirmed that her parents did not reside in Washington State at the time of application, indicating that her mother and step-father lived in New Mexico and her father lived in New York. This was further confirmed by colleague MK in his recorded interview during the Bankers Life investigation.

10. Ms. Millstein's colleague MK also wrote an insurance policy for JZ in December of 2009. This policy was also cancelled and the refund check sent to JZ's residence in New York.

11. In the recorded interview during the Bankers Life investigation Ms. Millstein stated that she used colleague SC's notary seal and forged his signature. Ms. Millstein further stated that in these cases the form had been signed by the applicant outside of the presence of

SC. Ms. Millstein was unable to confirm how many times this was done and unable to remember which application(s).

12. The Bankers Life investigation identified one policy in which the notary signature was not SC's signature and the writing agent was Ms. Millstein.

13. Ms. Millstein admitted in the recorded interview during the Bankers Life investigation that she altered application signature pages for four policyholders to make changes to an existing policy. The dates were altered using what appears to be white-out.

14. On August 27, 2008 Ms. Millstein signed a letter of reprimand issued by the Office of the Insurance Commissioner for actions in an annuity sales transaction. Ms. Millstein was put on notice that the letter would appear on her record and may be used against her in future disciplinary actions. The letter of reprimand included conduct similar to the conduct at issue in the current matter; including misrepresentations.

15. Ms. Millstein has not notified the OIC of her updated business address or email address as required.

16. By engaging in the above described conduct, Ms. Millstein used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility thereby violating RCW 48.17.530(1)(h). The Commissioner may take certain licensing actions including revoking an insurance producer license for such conduct.

17. By altering the date on original applications, submitting applications with false information, and submitting applications for out-of-state residents using Washington State addresses, Ms. Millstein intentionally misrepresented the terms of an actual or proposed insurance contract or application for insurance thereby violating RCW 48.17.530(1)(e). The Commissioner may take certain licensing actions including revoking an insurance producer license for such conduct.

18. By altering the date on original applications, submitting applications with false information, and submitting applications for out-of-state residents using Washington State addresses, Ms. Millstein knowingly made a false or misleading statement or willfully failed to reveal a material fact in or relative to an application for insurance to an insurer thereby violating RCW 48.30.210. The Commissioner may take certain licensing actions including revoking an insurance producer license for such conduct.

19. By forging the signature of the notary, Ms. Millstein forged another's name to an application for insurance or to any document related to an insurance transaction thereby violating

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RCW 48.17.530(1)(j) and RCW 48.30.210. The Commissioner may take certain licensing actions including revoking an insurance producer license for such conduct.

20. By paying the premiums on the insurance policies for customers, Ms. Millstein violated RCW 48.30.140 and RCW 48.17.530(1)(b). The Commissioner may take certain licensing actions including revoking an insurance producer license for such conduct.

21. By failing to notify the Office of the Insurance Commissioner of a change to her e-mail address and business address within thirty days, Ms. Millstein violated WAC 284-17-005, WAC 284-17-065, and RCW 48.17.530(1)(b).

ENTERED AT TUMWATER, WASHINGTON, this 31st day of May, 2013.

MIKE KREIDLER
Insurance Commissioner

By: K. Reynolds
Kate Reynolds
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

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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.

Sasha T. Millstein
4225 Beach Drive SW
Seattle, WA 98116

413 Grand Street, Apt F1107
New York, NY 10002

DATED this 31st day of May 2013, at Olympia, Washington.

Signed: Renee Molnes
Renee Molnes