

**MATTHEW W. STANLEY**

**FILED**

July 25, 2013  
2013 JUL 30 A 9:45

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

Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer

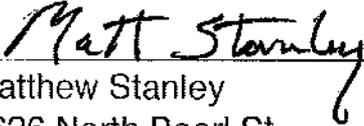
Re: No. 13 - 0181 Demand for Hearing

Dear Ms. Petersen:

My Notice of Appearance to represent Sandra S. Cooley-Allen in case No. 13 - 0181 is enclosed.

Mrs. Cooley-Allen received an Order Revoking License from the Office of Insurance Commissioner. On her behalf, I am hereby requesting a hearing to challenge the Order. The grounds for her challenge are that the assertions in the Order are not factually correct and they do not support a revocation of license.

Sincerely,

  
Matthew Stanley  
2626 North Pearl St.  
Tacoma, WA 98407  
Tel: 253-752-3040

FILED

OFFICE OF INSURANCE COMMISSIONER  
STATE OF WASHINGTON

2013 JUL 30 A 9:45

Hearings Unit, DIC  
Patricia Peterson  
Chief Hearing Officer

*In The Matter of* )  
 )  
Sandra S. Cooley-Allen )  
 )  
Licensee )  
\_\_\_\_\_ )

NO. 13-0181  
NOTICE OF APPEARANCE

I, Matthew W. Stanley, hereby enter my appearance in this matter as  
counsel for Licensee Sandra S. Cooley-Allen.

DATED July 25, 2013.

Matthew W. Stanley  
Matthew W. Stanley  
WSBA No. 07261  
Ph: 253-752-3040  
Fax: 253-752-7936  
[matt@stanleyatlaw.com](mailto:matt@stanleyatlaw.com)



OFFICE OF  
INSURANCE COMMISSIONER

*In The Matter of*

Sandra S. Cooley Allen,

Licensee.

NO. 13-0181

ORDER REVOKING LICENSE

To: Sandra S. Cooley Allen  
3560 Bridgeport Way W 3-2  
University Place, WA 98332

**IT IS ORDERED AND YOU ARE HEREBY NOTIFIED** that your Washington State insurance producer license is **REVOKED**, effective **July 310, 2013**, pursuant to RCW 48.17.530 and RCW 48.17.540(2).

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

1. Sandra S. Cooley Allen (WAOIC 142564, NPN 766442) holds a Washington resident insurance producer's license. She has been the subject of a number of complaints received by the Washington State Office of the Insurance Commissioner ("OIC"). These complaints include, but are not limited to, the ones summarized below.

2. In 1998, after Ms. Allen approached two aging Washington consumers in declining health to try to sell them life insurance, the consumers made a complaint about Ms. Allen to OIC. The consumers alleged that Ms. Allen used "hard sell tactics" and caused them "great anxiety." After the consumers filled out a "lead card," Ms. Allen went to the consumers' home. Ms. Allen told OIC's investigator that she went to the home to discuss long term care insurance, but determined after meeting with them that they did not qualify and they next "freely discussed their financial condition" and shared information about one or both of the consumers' life insurance. Ms. Allen told OIC's investigator that she contacted that insurer, asked the company to send forms to cancel that coverage, gave the consumers a proposal for life insurance, and received a check from the consumers. Ms. Allen denied defaming the consumers' insurer and claimed all needed paperwork was properly completed, including an application and replacement form, but it was all destroyed. The consumers alleged Ms. Allen was to meet and discuss nursing home care, but then "switched the subject to life insurance." After Ms. Allen learned the consumers' financial condition and saw their existing life insurance, the consumers complained that Ms. Allen then allegedly advised the consumers to cash in their life insurance contracts and take out life insurance with her. They alleged Ms. Allen was "persistent" to the point the consumers said they "gave her a check so she would leave them alone." The consumers alleged it was "unethical" for Ms. Allen to enter their home to discuss one subject then switch to another. After the consumers later communicated that they changed their minds, the check was returned.

3. In another matter, in January 2006, OIC received a complaint about Ms. Allen from an insurance producer who expressed shock at an annuity replacement transaction he learned about the month before. Three years earlier, the insurance producer sold the near octogenarian husband and wife consumers an annuity. At the time, the husband was rendered unable to speak from a stroke and the wife suffered from mild memory loss, which, by January 2006 “progressed to dementia.” The insurance producer wrote to OIC that he “never complained against another agent in my thirty-seven years in the insurance business” (he was licensed in 1970) but felt the need to here due to “gross misrepresentation” of facts in a replacement transaction and the insureds’ physical and cognitive condition. “I feel very strongly that harm has been done to a vulnerable couple and the transaction should be reversed.” The insurance producer pointed out that (1) the old annuity still had surrender charges, (2) the guaranteed interest rate in the replacing policy was less than the old one, and (3) the new annuity isn’t Medicaid qualified. The insurance producer felt certain the insureds “are not capable of understanding what is happening,” and their daughter had power of attorney. Yet forms were all completed by the licensee and signed by the husband – albeit in obviously shaky handwriting. The replacement form had a number of “obvious errors.” For example, it indicated “no” penalties or surrender charges would result – when in fact, as the policy was only in year three, 8% penalties applied. The replacing insurer immediately agreed to reverse the transaction and wrote that the licensee was “counseled.” On August 9, 2006, the licensee signed an OIC “letter of reprimand” that she agreed she violated “RCW 48.30.090, Misrepresentation of Policies. The replacement of [the consumers’ existing annuity] was clearly not in their best interest and certainly did not ‘materially improve their position.’” (Underlined in original.) The letter indicated “future complaints may result in more severe actions” and “[i]f another investigation is conducted we may refer back to this case and use it as evidence.”

4. In another matter, in or about October 2010 OIC received complaints from two Washington consumers over annuities Ms. Allen and a colleague sold them in August 2008. The complaints alleged that the licensees were “insurance sales people and apparently not knowledgeable retirement investment personnel,” that they gave incomplete, inaccurate and/or misleading information at the time of the sale, and that they sold them products that were not good investments. After meeting with Ms. Allen’s colleague about the complaints OIC received, the colleague met with the consumers and shared with them further information and/or explanation about the products sold. After this meeting, both consumers were persuaded to write to OIC that they wished to “reverse” their complaints, but they noted that while they were glad to receive the information from Ms. Allen’s colleague, they maintained they did not receive it at the time of the purchase and should have, and that they received incomplete, inaccurate and/or misleading information when the sale took place.

5. In another matter, in October 2009 one Washington resident complained that Ms. Allen should be required to surrender her license in connection with her actions during an attempted annuity sale to a Washington senior citizen. Working with another OIC licensee, Ms. Allen and

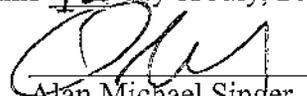
her colleague used coercion to obtain the person's signatures on application forms, failed to correctly and appropriately complete the required replacement form, misinformed the consumer, and made incomplete, inaccurate and/or misleading representations to the consumer, to the insurer, and to OIC's investigator. The annuity insurer initially defended the sale, but later reversed its position and committed to making the insured whole again.

Pursuant to RCW 48.17.530(1), the Commissioner may revoke the license of any insurance producer. Licensee Sandra A. Cooley-Allen has violated numerous provisions of the Insurance Code, including, but not limited to: repeatedly using fraudulent or dishonest practices, and repeatedly demonstrating his untrustworthiness (RCW 48.17.530(1)(h)); making and causing to be made misrepresentations of the terms of any policies and/or the benefits or advantages promised thereby (RCW 48.30.090); recommending the purchase of annuities without reasonable grounds for believing that the recommendation is suitable for the consumer (RCW 48.23.015(2)(a)); making recommendations for the purchase of annuities without those recommendations being reasonable under all circumstances (RCW 48.23.015(3)); knowingly making false or misleading statements or impersonations, and willfully failing to reveal material facts, in or relative to applications for insurance to an insurer (RCW 48.30.210); making misrepresentations and/or misleading comparisons to induce or tend to induce insureds into lapsing, terminating, forfeiting, surrendering, retaining, or converting any insurance policy (RCW 48.30.180); 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 present one or more accurate, correct, non-misleading, and complete WAC 284-23-485 notices to consumers no later than the time of the taking of the application; and failing to fairly and adequately highlight the points raised by the questions (WAC 284-23-440(2)(a)); making false, deceptive, or misleading representations or advertising in the conduct of the business of insurance or relative to the same or relative to any person engaged therein (RCW 48.30.040); violating insurance laws or rules (RCW 48.17.530(1)(b)); intentionally misrepresenting the terms of actual or proposed insurance contracts or applications for insurance (RCW 48.17.530(1)(e)); and using coercive and/or dishonest practices and demonstrating herself to be untrustworthy and/or incompetent. Accordingly, Sandra A. Cooley-Allen's license is hereby **REVOKED**.

**IT IS FURTHER ORDERED** that Sandra A. Cooley-Allen immediately return to OIC her certificate of her resident insurance producer license, and that she 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: ATTN: Licensing Manager, Office of the Insurance Commissioner, P O Box 40257, Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this <sup>12<sup>th</sup></sup> day of July, 2013.

MIKE KREIDLER, Insurance Commissioner, by:

  
Alan Michael Singer  
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  
Attn: Patricia D. Petersen, Chief Hearing Officer  
Hearings Unit  
P.O. Box 40255  
Olympia, WA 98504-0255

**CERTIFICATE OF MAILING**

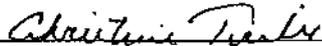
The undersigned certifies under the penalty of perjury under the laws of the State of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, 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:

Sandra S. Cooley Allen  
3560 Bridgeport Way W 3-2  
University Place, WA 98332

Sandra S. Cooley Allen  
3914 100<sup>th</sup> St Ct NW  
Gig Harbor, WA 98332  
[goldendawg@comcast.net](mailto:goldendawg@comcast.net)

SIGNED this 22<sup>nd</sup> day of July, 2013, at Tumwater, Washington.

  
Christine Tribe