

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone (360) 725-7000
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OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT

Fax: (360) 664-2782

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

Hearings Unit DIC
Kelly A. Cairns
Paralegal
(360) 725-7002
KellyC@oic.wa.gov

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of)	Docket No. 13-0222
)	
GHOLAMEZA NIKZAD and)	ORDER ON PREHEARING
WOOD FINANCIAL SERVICES)	CONFERENCE
COMPANY,)	
)	
Licensees.)	

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

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

James Schermer, Esq.
Mosler Schermer & Jacobs
1001 Fourth Avenue, Suite 4105
Seattle, WA 98154-1156

COPY TO: Mike Kreidler, Insurance Commissioner
James T. Odiorne, CPA, J.D., Chief Deputy Insurance Commissioner
John F. Hamjc, Deputy Commissioner, Consumer Protection Division
Charles Brown, Sr. Staff Attorney, Legal Affairs Division
AnnaLisa Gellermann, Esq., Deputy Commissioner, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

In 2012 the OIC entered an Order Revoking License, No. 12-0130, against Gholamreza Nikzad and the agency Mr. Nikzad owns and operates, Wood Financial Services Company (the "Licensees") based on specific allegations set forth therein concerning violations of multiple requirements of the Insurance Code pertaining to separate accounts, financial record keeping,



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and proper handling of premiums and return premiums. The Licensees appealed that 2012 Order Revoking License and a hearing was conducted. As set forth in the Findings of Facts, Conclusions of Law and Final Order entered by the undersigned on November 5, 2012 ("Final Order"), the Licensees admitted to all of the OIC's allegations but had filed their Demand for Hearing in order to argue 1) that the Licensees had attempted to comply with the OIC's examiner's earlier requirements that the Licensees comply with the Insurance code and regulations within the months the OIC provided to the Licensees at that time; 2) that revocation of their licenses would impose extreme hardship on the Licensees as it would take away Mr. Nikzad's means of livelihood; and 3) that the Licensees were ready, willing and able to comply with the OIC's requirements if given some more time to come into compliance. As documented in that November 5, 2012 Final Order, the undersigned did set aside the OIC's Order Revoking License on the condition that within three months the Licensees fully meet specific conditions set forth therein and fully comply with all provisions of the Insurance Code and regulations from January 1, 2013 onward, and ordered that *if each of the conditions set forth in this Order is not fully met as described and within the time frames stated then the Licensees' producer's licenses ... shall be, at the sole discretion of the OIC, revoked without advance notice.*

On July 23, 2013, the OIC issued a second Order Revoking License, No. 13-0222, against the Licensees, which alleges that the OIC's April 2013 follow-up examination of the Licensees' business and books and records show that the Licensees have *completely and utterly failed to comply with the ... requirements of the Final Order* [entered on November 5, 2012] and provides specific details to support its allegations. On August 8, 2013, the Licensees filed a Demand for Hearing to contest this second Order Revoking License. Just as they did in response to the first Order Revoking License, issued in 2012, the Licensees assert that 1) they have attempted to comply with the November 5, 2012 Final Order; 2) that revocation of these licenses will impose extreme hardship on the licensees insofar as it will deny Mr. Nikzad his means of livelihood; and 3) that the Licensees are ready, willing and able to fully comply with the Insurance Code and regulations (i.e. the requirements of the November 5, 2013 Final Order) within 30 days.

On September 12, 2013, the undersigned held a first prehearing conference in this matter, which included all parties. The OIC was represented by Charles Brown, Senior Staff Attorney in the OIC's Legal Affairs Division. The Licensees were represented by their attorney, James Schermer, Esq., of Mosler, Schermer & Jacobs, Seattle, Washington. Of significance, the OIC advised that the Licensees still have a right to hearing to contest this second Order Revoking License even though it is based upon the Licensees' alleged failure to comply with the earlier November 5, 2012 Final Order which orders that *if each of the conditions set forth in this Order is not fully met as described and within the time frames stated then the Licensees' producer's licenses ... shall be, at the sole discretion of the OIC, revoked without advance notice.* Secondly, in this instant Demand for Hearing, the Licensees request that the hearing be held before an administrative law judge assigned under chapter 34.12 RCW and therefore the hearing file will be transmitted to the Office of Administrative Hearings with the request that an administrative law judge appointed under chapter 34.12 RCW hold the hearing in this matter and enter an Initial Order. Finally, pursuant to RCW 48.04.020(1), an automatic stay of the OIC's Order Revoking

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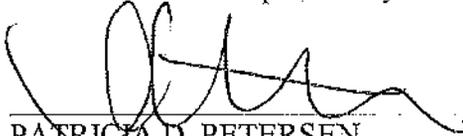
License entered July 23, 2013 is in place and shall remain in place until entry of the Final Order in this proceeding.

Based upon the above activity,

IT IS HEREBY ORDERED that the hearing file shall be transmitted to the Office of Administrative Hearings with the request that an administrative law judge appointed under chapter 34.12 RCW hold the hearing in this matter and enter an Initial Order herein;

IT IS FURTHER ORDERED that, pursuant to RCW 48.04.020(1), an automatic stay of the OIC's Order Revoking License entered July 23, 2013 is in place and shall remain in place until entry of the Final Order in this proceeding.

ENTERED AT TUMWATER, WASHINGTON, this 24th day of September, 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

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, James Schermer, Esq., Mike Kreidler, James T. Odiome, John F. Hamje, Esq., Charles Brown, Esq., and AnnaLisa Gellermann, Esq.

DATED this 25th day of September, 2013.


KELLY A. CAIRNS