



OFFICE OF
INSURANCE COMMISSIONER

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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of)	Docket No. 13-0277
)	
STEVE HYSON,)	FINDINGS OF FACT,
)	CONCLUSIONS OF LAW,
Applicant.)	AND FINAL ORDER
)	

TO: Steve Hyson
9617 NE 136th Avenue
Vancouver, WA 98682

COPY TO: Mike Kreidler, Insurance Commissioner
James T. Odiorne, J.D., CPA, Chief Deputy Insurance Commissioner
John F. Hamje, Deputy Commissioner, Consumer Protection Division
AnnaLisa Gellermann, Esq., Deputy Commissioner, Legal Affairs Division
Alan Michael Singer, Staff Attorney, Legal Affairs Division
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PO Box 40255
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Pursuant to RCW 34.05.434, 34.05.461, 48.04.010 and WAC 10-08-210, and after notice to all interested parties and persons the above-entitled matter came on regularly for hearing before the Washington State Insurance Commissioner commencing at 10:00 a.m. on October 25, 2013. All persons to be affected by the above-entitled matter were given the right to be present at such hearing during the giving of testimony, and had reasonable opportunity to inspect all documentary evidence. The Insurance Commissioner appeared pro se, by and through Alan Michael Singer, Esq., Staff Attorney in his Legal Affairs Division. Steve Hyson appeared pro se.



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NATURE OF PROCEEDING

The purpose of the adjudicative proceeding was to take testimony and evidence and hear arguments from the Insurance Commissioner and from Steve Hyson as to whether the Commissioner's decision to deny Mr. Hyson's Application for a Washington resident insurance producer's license should be upheld, set aside or modified in some way. On September 19, 2013 the Commissioner denied Mr. Hyson's License Application based on the fact that he has fairly recently been convicted of a felony, citing RCW 48.17.530(1)(f) which gives the Commissioner the authority to deny a license if the applicant has been convicted of a felony. On September 19, 2013 Mr. Hyson filed a Demand for Hearing to contest the Commissioner's denial of his License Application based upon arguments set forth therein.

FINDINGS OF FACT

Having considered the evidence and arguments presented at the hearing, and the documents on file herein, the undersigned presiding officer designated to hear and determine this matter finds as follows:

1. The hearing was duly and properly convened and all substantive and procedural requirements under the laws of the state of Washington have been satisfied. This Order is entered pursuant to Title 48 RCW and specifically RCW 48.04; Title 34 RCW; and regulations pursuant thereto.
2. On September 17, 2013 Steve Hyson ("Applicant") applied to the Washington State Insurance Commissioner ("OIC") for a Washington resident insurance producer's license. The OIC denied Mr. Hyson's Application, stating as grounds for denial that the Applicant has fairly recently been convicted of a felony, citing RCW 48.17.530(1)(f). [Ex. 1, hearing file.] On September 19, 2013, the Applicant filed a Demand for Hearing pursuant to RCW 48.04 to contest the OIC's denial of his Application. [Ex. 1, hearing file.]
3. The Applicant is an approximately 47 year old individual who is a resident of Vancouver, WA. He graduated from high school in 1984, received his B.A. in business communications and management from Concordia College in 1989, and received his Masters Degree in Business Administration from George Fox University in 1999. [Testimony of Applicant.] After high school and through college - from 1985 to 1994 - he worked in sales for Montgomery Ward, being promoted from sales to sales leader and was then promoted to group merchandiser. He left Montgomery Ward to start a law enforcement career. [Testimony of Applicant.]
4. After completing the Law Enforcement Academy in Oregon, the Applicant became a police officer in Portland, OR. He worked as a police officer in various precincts in the Portland area from February 1994 to August 1995 when he left law enforcement. For one year beginning in September 1995 he worked for Nationwide Insurance as an adjuster handling and settling

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injury claims. He also attended George Fox University in Portland, where he earned his Masters in Business Administration in 1999.

5. The Applicant returned to law enforcement in 1998, first working as a police officer in inner city Portland, OR. For two years beginning August 18, 1998, he worked as a Clackamas County, OR, Deputy Sheriff, then became a DARE and anti-gang officer for one year. When the DARE program was cancelled, he worked for two years as a school resource officer investigating allegations of child abuse and other matters. He was then promoted by the Clackamas County Sheriff to Detective, where he worked for nine years investigating murder, rape, sexual assault and other crimes. The Applicant received many awards and letters of commendation in his work: notably, from the Clackamas County Sheriff's Office ("Office") on September 17, 1996 and July 7, 1997, a citizen commendation on April 12, 1997; a letter of commendation from a law enforcement co-worker on July 13, 1997; another letter of commendation from the Office on November 3, 1998; from the Clackamas County District Attorney for effective investigation and testimony in a criminal prosecution; from Clackamas County in 1998; from his Sergeant on February 15, 2000; from his Captain on February 19, 2001; from the Office on February 20, 2001; from the Office promoting him to Detective on March 29, 2001; from the Office on September 11, 2001; from his Captain on October 10, 2001; from citizens on January 10, 2002, from the Office on November 1, 2002; from his Lieutenant on January 22, 2002; from the Clackamas County Deputy District Attorney on July 18, 2002; from the Clackamas County Sheriff Pat Detloff on February 8, 2003 commending him for his investigation which lead to the arrest of the Sunnyside Rapist; from the Office for his investigation and persistence in investigating information concerning sexual abuse of teenage males which lead to the arrest of the perpetrator; from the Clackamas County Sheriff to the applicant thanking him for negotiating to reach a tentative agreement for a new two-year labor contract (with Sergeant Tutmark); a Lifesaving Award from Clackamas County Sheriff Craig Roberts on May 26, 2011 commending him for establishing and negotiating with an armed man which was determined to have spared a life; and many other letters of commendation and awards. [Applicant's Ex. B, letters and awards of commendation.]

6. In support of his position herein, the Applicant submitted several recent letters of recommendation from individuals with whom he worked, works and/or who know him personally. Most notably, Mark E. Koberstein, a retired Deputy Sheriff from the Clackamas County Sheriff's Office, writes that he has known the Applicant personally and professionally for over 10 years, that he co-founded the Clackamas County Peace Officers' Association with the Applicant in 2005 and worked in continuous contact with him in that organization from 2006 until 2012 during which time the Applicant served as its President, and provides other pertinent details evidencing the Applicant's many qualities which would serve him well as an insurance producer; by Peter A. Tutmark, who worked along side and supervised the Applicant during his entire tenure at the Clackamas County Sheriff's Office and states that he *never saw him lose his temper, use excessive force, or fail to do what was right at work*; by Anthony Newman, General Manager of Furniture Connexion stating that the Applicant has been successfully employed there since May 2013 and advises that he has never witnessed him get angry or upset with his fellow

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workers or customers and has exhibited kindness toward his customers; by Dale I. Frazell, who has worked 33 years in law enforcement, who has known the Applicant for nine years and worked with him as exclusive partners for 2.5 years in the Detective Division of the Clackamas County Sheriff's Office, Major Crimes Unit, investigating cold cases and other crimes, and who states that he never knew him to lose his temper or be upset over the stress of the workload, that he is professional in everything he does, that he is an honest man of integrity who he strongly recommends the applicant without reservation to become a licensed insurance producer; and from Mary Staatz, who is the mother of the Applicant's 13 year old son, has known him for 24 years and advises that he poses no kind of threat to his colleagues or customers. Mr. Frazell notes that during the period of time he worked with the Applicant in law enforcement, the Applicant *entered into a marriage that became a nightmare. The marriage ended in divorce and practically ruined his life. However, that is in the past and he is rebuilding his life.* Mr. Tutmark notes that *Mr. Hyson's difficulties in my opinion, all grew out of an extremely dysfunctional marriage which thankfully is over.* [Applicant's Ex. A, seven letters of recommendation.]

7. Notably, the Applicant conducted investigations leading to the arrest and conviction of the Starbucks rapist. [Testimony of Applicant; Applicant's Ex. B.] After that time, he was demoted to patrol deputy for nine month because of budget cuts, but continued investigations on his own time; in this capacity he obtained samples of DNA and other evidence which lead to the arrest and conviction of the Sunnyside rapist, for which he received a commendation. [Testimony of Applicant, Ex. B.] The Applicant also served as a Shop Steward and the Treasurer of the law enforcement union, was then elected union President and was in the midst of his third term as President when he resigned to focus on his defense of the criminal charge at issue herein. During his law enforcement career, as a volunteer the Applicant also founded and served as President and Director of the Clackamas County Police Officers Benevolent Association which helps police officers in need and helps youth at risk. [Testimony of Applicant; Ex. A, letter from Mark E. Koberstein.]

8. After serving for nine years as a Detective with Clackamas County, the Applicant was promoted to Sergeant where he directly supervised deputies. After one year he became a trainer for new sergeants until March 27, 2013 when he resigned as a result of the charges at issue herein. He advises that he did not resign in lieu of termination but admits it was likely he would have been terminated as a result of these criminal charges at issue herein.

9. In his Application for a Washington resident insurance producer's license, the Applicant properly answered "yes" to Question 2(a) which asks whether he has ever been convicted of a felony, and provided the OIC with the court documents concerning that crime as requested in the Application. [OIC Ex. 1, Application.] After he filed his Application with the OIC, by email dated September 17, 2013 the Applicant asked whether he could submit an explanation about his felony conviction; however the OIC determined that no explanation was necessary and the Application should be denied because the felony was simply too recent. [Testimony of Cheryl Penn, Supervising Compliance Analyst, OIC Consumer Protection Division.]

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10. The circumstances surrounding the felony conviction at issue arose from the Applicant's activities on March 20 to 21, 2013. These activities involved his estranged wife Lora to whom he became married in July 2007. Lora apparently had a history of drug problems and several other medical issues since the time of their marriage. [Testimony of Applicant.] Lora has a 22 year old son, Austin, from a prior relationship; the Applicant has a 13 year old son, Roman, from a prior relationship [Applicant's Ex. A, letter of recommendation from Roman's mother]; and Lora and the Applicant have a 6 year old son together, with whom the Applicant has unsupervised visitation rights. Since approximately May 2011, the Applicant and Lora had been legally separated. In May 2012, Lora's 22 year old son, Austin, had returned to the home from substance abuse rehabilitation and the Applicant and Austin apparently shoved each other – with the Applicant's shoulder becoming injured which required surgery. [Testimony of Applicant.] Although there was apparently no injury to Austin, Lora reported the incident and obtained a no-contact order against the Applicant. Although there was a legal proceeding in process which arose from this incident, and although Lora had obtained a no-contact order against the Applicant as a result of this incident, in October 2012 Lora asked to move back into the Applicant's residence because she had no employment or money and had been evicted from her residence. Apparently in part because their 6 year old natural son lived with Lora, the Applicant allowed Lora and their 6 year old son to return to live in his home. At this time, the altercation which resulted in the felony at issue herein occurred which included non-physical threats by the Applicant, for which Lora called law enforcement, and violation of the no-contact order. During their marriage the Applicant has called law enforcement against Lora on some four occasions for e.g. Lora vandalizing his house, abuse against him, and other activities. The Applicant advises that police reports show that on two of these occasions Lora was indeed arrested for these activities, and on two occasions law enforcement chose not to arrest her. In addition, the Applicant admits that Lora had also called law enforcement against him in the past, based on her allegations of non-physical behavior on his part (apparently with the exception of the May 2012 incident involving her 22 year old son). [Testimony of Applicant.]

11. As a result of the altercation at issue herein, on April 2, 2013, the Applicant pleaded "no contest" to one felony count of Domestic Violence, was ordered to be on probation for two years, served seven days in jail and 23 days on a work crew. [OIC Ex. 2-A, p. 3.] In addition, there is a mutual no contact order prohibiting either the Applicant or Lora from having contact with each other although apparently Lora has asked that the no contact order be lifted. [OIC Exs. 2A, 3, 8.] The Applicant admits he played a role in what occurred on March 20-21, 2013, and, in addition, accepts responsibility for allowing Lora to move back into his house in spite of an existing no-contact order. [Testimony of Applicant.]

12. The Applicant has no prior criminal history. After 17 years as a law enforcement officer he has no charges, including no charges concerning excessive use of force or other such actions even though his law enforcement career included investigating and arresting serious violent offenders. [Testimony of Applicant.]

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13. Cheryl Penn, Supervising Compliance Analyst for the Consumer Protection Division of the OIC, appeared as a witness on behalf of the OIC. Ms. Penn presented her testimony in a detailed and credible manner and presented no apparent biases.

14. Steve Hyson, the Applicant, appeared as a witness for the OIC and on his own behalf. Mr. Hyson presented his testimony in a detailed and credible manner and presented no apparent biases.

15. Based upon the above Findings of Facts, it is reasonable that the OIC's action denying the Applicant's application for a Washington resident insurance producer's license should be set aside and that the Applicant should be granted a Washington resident insurance producer's license.

CONCLUSIONS OF LAW

Based upon the above Findings of Fact, it is hereby concluded:

1. The adjudicative proceeding herein was duly and properly convened and all substantive and procedural requirements under the laws of the state of Washington have been satisfied. This Order is entered pursuant to Title 48 RCW and specifically RCW 48.04; Title 34 RCW; and regulations pursuant thereto.

2. RCW 48.17.530(1)(f) provides that *(1) The OIC may place on probation, suspend, revoke, or refuse to issue or renew ... an insurance producer's license ... for ... (f) Having been convicted of a felony;* [Emphasis added.]

3. It is reasonable that the OIC's denial of the Applicant's Application for a Washington resident insurance producer's license should be set aside and the Applicant should be granted a Washington resident insurance producer's license.

ORDER

On the basis of the foregoing Findings of Fact and Conclusions of Law,

IT IS HEREBY ORDERED that the Washington State Insurance Commissioner's denial of the Washington resident insurance producer's license application submitted by Steve Hyson on September 17, 2013 is set aside.

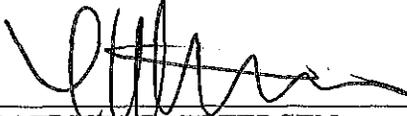
IT IS FURTHER ORDERED that Wahington State Insurance Commissioner shall grant Steve Hyson a Washington resident insurance producer's license forthwith.

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ENTERED AT TUMWATER, WASHINGTON, this 17th day of January, 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

Pursuant to RCW 34.05.461(3), the parties are advised that they may seek reconsideration of this order by filing a request for reconsideration under RCW 34.05.470 with the undersigned within 10 days of the date of service (date of mailing) of this order. Further, the parties are advised that, pursuant to RCW 34.05.514 and 34.05.542, this order may be appealed to Superior Court by, within 30 days after date of service (date of mailing) of this order, 1) filing a petition in the Superior Court, at the petitioner's option, for (a) Thurston County or (b) the county of the petitioner's residence or principal place of business; and 2) delivery of a copy of the petition to the Office of the Insurance Commissioner; and 3) depositing copies of the petition upon all other parties of record and the Office of the Attorney General.

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: Steve Hyson, Mike Kreidler, James T. Odiorne, John F. Hamje, AnnaLisa Gellermann, Esq., and Alan Michael Singer, Esq.

DATED this 22nd day of January, 2014.


KELLY A. CARRENS