

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT
Fax: (360) 664-2782

2014 MAR 13 A 10:47

OIC HEARINGS UNIT
PATRICIA D. PETERSEN
CHIEF PRESIDING OFFICER

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

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. 14-0023
)	
STEVEN W. LUSA,)	NOTICE OF HEARING
)	
Applicant.)	
_____)	

TO: Steven W. Lusa
9511 172nd Street SE
Snohomish, WA 98296

COPY TO: Mike Kreidler, Insurance Commissioner
James T. Odiorne, J.D., CPA, Chief Deputy Insurance Commissioner
John F. Hamje, Deputy Commissioner, Consumer Protection Division
Jeff Baughman, Licensing Manager, Consumer Protection Division
Darryl Colman, Staff Attorney, Legal Affairs Division
AnnaLisa Gellermann, Deputy Commissioner, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

On January 16, 2014, the Insurance Commissioner ("OIC") sent a letter by electronic mail to Steven W. Lusa informing him that his application for a Washington resident insurance producer's license had been denied. According to the letter, the OIC based its denial on two disciplinary actions that were taken against Mr. Lusa by the Department of Financial Institutions (DFI), citing (1) RCW 48.17.530(1)(h) which gives the Commissioner the authority to deny an application if the applicant used fraudulent, coercive, or dishonest practices, or has demonstrated incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere, and (2) RCW 48.17.530(1)(i) which gives the Commissioner the authority to deny an application if the applicant has had an insurance producer's license, or its equivalent, denied, suspended, or revoked in any state.



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In response, on February 18, 2014 Mr. Lusa submitted a Demand for Hearing. In his Demand, Mr. Lusa asserts that the denial of his license application should be reversed because (1) RCW 48.17.530(1)(i) is inapplicable in this case because an escrow agent's license, the license he held that was suspended by DFI, is not equivalent to an insurance producer's license; (2) the facts underlying the disciplinary action taken by DFI involved technical rule violations or activities he was not directly involved in and therefore do not demonstrate that he used fraudulent, coercive, or dishonest practices or that he is incompetent, untrustworthy or financially irresponsible; and (3) he had worked for decades as a licensed professional with an unblemished record before the DFI matters that were initiated in 2007 and 2009, and the discipline he received in the financial industry then should not prevent him from obtaining an insurance producer's license now.

On March 5, 2014, the undersigned held a first prehearing conference in this matter, which included all parties. The OIC was represented by Marcia Stickler, Esq., Staff Attorney in the OIC's Legal Affairs Division. Mr. Lusa appeared pro se, but was accompanied by an attorney, Stephanie Holm, who indicated she would be filing a Notice of Appearance to represent him. The undersigned reviewed procedure to be expected at hearing and answered all questions and concerns of the parties. The parties agreed that this hearing should be held on March 27, 2014.

Accordingly, **YOU ARE HEREBY NOTIFIED that a hearing will be held commencing on Thursday, March 27, 2014, at 10:00 a.m. Pacific Daylight Time.** The purpose of this hearing, which will include all parties, is to consider whether the denial of Mr. Lusa's application for an insurance producer's license should be upheld; whether the denial should be set aside thereby allowing Mr. Lusa to be issued an insurance producer's license; or whether Mr. Lusa should be issued an insurance producer's license for an initial probationary period as contemplated in the Insurance Code.

The OIC will appear by and through Darryl Colman, Staff Attorney in the Legal Affairs Division. Mr. Colman's address is Office of the Insurance Commissioner, Legal Affairs Division, P.O. Box 40255, Olympia, WA 98504-0255 and his telephone number is (360) 725-7118. Mr. Lusa will appear either pro se, or if attorney Stephanie Holm files a Notice of Appearance as she has indicated she will do then he will be represented by Ms. Holm. Ms. Holm may not represent Mr. Lusa as his attorney unless and until she files a Notice of Appearance in this matter.

Patricia D. Petersen, Esq., Presiding Officer, who serves as Chief Presiding Officer for the Office of the Insurance Commissioner, has been designated to hear and determine this matter. Her address is Office of Insurance Commissioner, P.O. Box 40255, Olympia, Washington 98504-0255. Her telephone number is (360) 725-7105. All interested individuals and entities who have questions or concerns concerning this proceeding should direct them to her paralegal, Kelly Cairns, at the same address. Ms. Cairns' telephone number is (360) 725-7002.

The hearing will be held under the authority granted by the Insurance Commissioner under Chapter 48.04 RCW. The basic facts relied upon are those set forth above, which are more

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specifically included in the OIC's above referenced denial letter and in Mr. Lusa's above-referenced Demand for Hearing.

The hearing will be governed by the Administrative Procedure Act, Chapter 34.05 RCW, and the model rules of procedure contained in Chapter 10-08 WAC. All parties may be represented at the hearing. They may examine witnesses and fully respond and present evidence and argument on all issues involved.

As required by RCW 34.05.434(2)(i), you are advised that a party who fails to attend or participate in any stage of the proceeding may be held in default in accordance with Chapter 34.05 RCW.

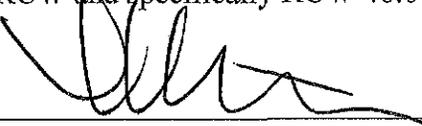
Pursuant to WAC 10-08-040(2) and in accordance with ch. 2.42 RCW, if a limited English speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness therefore, except as may be provided by ch. 2.42 RCW. A Request for Interpreter form is attached to the original of this Notice, with instructions thereon.

This Notice is provided pursuant to RCW 48.04.010 and RCW 34.05.434.

Based upon the above activity,

IT IS HEREBY ORDERED that the adjudicative proceeding in this matter shall commence on March 27, 2014, at 10:00 a.m. Pacific Daylight Time, continuing on each successive day until terminated, in the Office of the Insurance Commissioner, 5000 Capitol Blvd., Tumwater, WA.

ENTERED AT TUMWATER, WASHINGTON, this 13th day of March, 2014, pursuant to Title 48 RCW and specifically RCW 48.04 and Title 34 RCW and regulations applicable thereto.

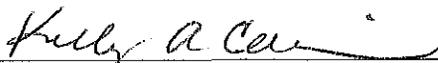


PATRICIA D. PETERSEN
Chief Presiding Officer

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: Steven W. Lusa, Mike Kreidler, James T. Odiome, J.D., CPA, John F. Hamje, Esq., Jeff Baughman, Darryl Colman, Esq., and AnnaLisa Gellermann, Esq.,

DATED this 13th day of March, 2014.



KELLY A. CAIRNS

HEARINGS UNIT
Fax: (360) 664-2782

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

Hearings Unit
Paralegal
(360) 725-7002
Hearings@oic.wa.gov

To request an interpreter, complete and mail this form to:

Chief Presiding Officer
Office of Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

REQUEST FOR INTERPRETER

I am a party or witness in Matter No. 14-0023 before the Insurance Commissioner. I NEED AN INTERPRETER and request that one be furnished.

Please check the statements that apply to you:

I am a non-English-speaking person. I cannot readily speak or understand the English language. My primary language is _____ (insert your primary language). I need an interpreter who can translate to and from the primary language and English.

I am unable to readily understand or communicate the spoken English language because:

- I am deaf.
- I have an impairment of hearing.
- I have an impairment of speech.

[Please state below or on the reverse side any details which would assist the Commissioner or Presiding Officer in arranging for a suitable interpreter or in providing appropriate mechanical or electronic amplification, viewing, or communication equipment.]

Date: _____

Signed: _____

Please print or type your name: _____

Address: _____

Telephone: _____