

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:)
) No. 14-0102
)
PAUL D. GENEST,) **LIST OF EXHIBITS**
)
)
Applicant.)
_____)

LIST OF EXHIBITS

- x1. Hearing file - all filed documents
- x2. Applicant Ex - copy of request for hearing 3-3-14
- x3. Applicant Ex - copy of letter from Judge Peterson 3-4-14
- x4. Applicant Ex - March 25 email from Cheryl Penn - denial letter
- x5. " - Consent order 14-0118 - Bagley
- x6. " - consent order 14-0110 Mix
- x7. " - Consent order 14-0029 Saylor
- x8. " - consent order 14-0137 Webb
9. Email string from Cheryl Penn to Marcia Stickler + Response
10. _____
11. _____
12. _____

LIST OF EXHIBITS

No. 14-0102

Page 2

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March 3, 2014

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

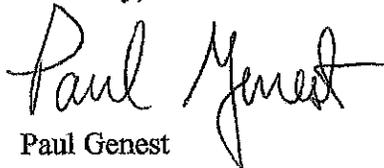
RE: NO. 13-0313

Dear Ms. Petersen:

I received a notice of Order Revoking License, dated November 19, 2013. I am requesting a hearing to challenge this action of the Commissioner for the following reasons:

1. I was not given an opportunity to properly respond to the allegations against me after the investigations unit spoke directly with the accuser.
2. The party making the allegations requested that licensee leave documents and electronic data so they could properly check that no company information was retained by licensee.
3. Licensee had been told records and data would be returned within 10 days. Licensee continued to demand return of these items. The accusing party subsequently destroyed those records and data that would have exonerated licensee of these accusations.

Sincerely,



Paul Genest

Paul Genest 23665 Old Day Creek Rd. Sedro Woolley, WA 98284
C:(360)840-9802, H:(360)856-1688, Email: pdgenest@gmail.com

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone (360) 725-7000
www.insurance.wa.gov



FILED

OFFICE OF
INSURANCE COMMISSIONER

2014 MAR -4 P 12:57

HEARINGS UNIT
Fax: (360) 664-2782

OIC HEARINGS UNIT
PATRICIA O. PETERSEN
CHIEF PRESIDING OFFICER

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

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

March 4, 2014

Paul D. Genest
23665 Old Day Creek Road
Sedro Woolley, WA 98284

RE: In the Matter of Paul D. Genest; Order Revoking License No. 13-0313

Dear Mr. Genest:

This letter is in response to your request for hearing in the above referenced matter, which you emailed to my Hearings Unit on March 3, 2014. I have reviewed both your request for hearing and the Insurance Commissioner's Order Revoking License ("Order").

As shown on the Insurance Commissioner's signature line, this Order was dated and signed by the Insurance Commissioner's staff attorney Marcia G. Stickler on November 19, 2013, and was also mailed to you on November 19, 2013 (per the Certificate of Mailing on page 4 of the Order).

The third page of the Order contains the following notice:

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 [which is clearly stated in the Certificate of Mailing on page 4 of your Order to be November 19, 2013] or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. Upon receipt of your demand for hearing, you will be



Mr. Paul Genest
March 4, 2014
Page 2

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. [Emphasis added.]

As cited in the notice provided you in the Order Revoking License you received, RCW 48.04.010(3) requires that an individual must file his or her appeal of an order of the Insurance Commissioner, such as this one, within 90 days of the date of the order. This statute also provides that if an individual files an appeal outside this 90 day window then they lose their right to appeal. Unfortunately, as shown by the date of your email you submitted your request for hearing on March 3, 2014, which is 103 days after the date of the Order, and for this reason you have waived your right to appeal the Order.

In addition, under the terms of RCW 48.04.020(1), had you filed your appeal before December 7, 2013 (the date the Order states is the effective date of your revocation), the revocation would have been stayed and your license would have remained in effect until the outcome of your appeal of the Order. Because your appeal was not filed until March 3, 2014, the Order was not stayed and therefore your license has been revoked beginning December 7, 2013 and has remained revoked since then.

Unfortunately, therefore, pursuant to the requirements of RCW 48.04.010(3) and 48.04.020(1) cited above, your Washington producer's license has been revoked since December 7, 2013 and you no longer have a right to challenge the Order Revoking License. Finally, although you may have thought that this was not required because you thought you were timely filing an appeal, pursuant to RCW 48.17.530(4) and the wording on page 3 of the Order your Washington producer's license certificate should have been returned to the Commissioner on or before December 7, 2013. Please return your Washington producer's license certificate to the Commissioner promptly.

Very truly yours,



Patricia D. Petersen
Chief Presiding Officer

Encls. --Copy of Genest Request for Hearing
--Copy of Order Revoking License

cc: Marcia G. Stickler, Staff Attorney, Legal Affairs Division

Brian Kreger

From: Paul Genest <pdgenest@gmail.com>
Sent: Thursday, August 28, 2014 10:02 PM
To: Brian Kreger
Subject: Fwd: License Application Denial

Follow Up Flag: Follow up
Flag Status: Flagged

----- Forwarded message -----
From: Penn, Cheryl (OIC) <CherylP@oic.wa.gov>
Date: Tue, Mar 25, 2014 at 9:11 AM
Subject: License Application Denial
To: "pdgenest@gmail.com" <pdgenest@gmail.com>

Mr. Genest:

This email is to inform you that your application for an insurance license is denied. The denial is based upon the revocation of your insurance license effective December 12, 2013 per Order No. 13-0313. That order cited violations of RCW 48.17.480 and RCW 48.17.600. RCW 48.17.530 (1) (b) gives the Insurance Commissioner the authority to deny an application if the applicant has violated any insurance laws or rules.

You have the right to demand a hearing to contest this decision. During this hearing, you can present your argument that the decision should not have been entered for legal and/or factual reasons and/or to explain the circumstances surrounding the activities which are the subject of this decision. You may be represented by an attorney if you wish, although it is not required. In many hearings before this agency parties do choose to represent themselves without an attorney. Your Demand for Hearing must be made within 90 days after the date of this decision, which is the date of this email, or your Demand will be invalid and this decision will stand.

Your Demand for Hearing should be sent to Hearing Unit, Office of the Insurance Commissioner, P.O. Box 40255, Olympia, WA, 98504-0255, and must briefly state how you are harmed by this decision and why you disagree with it. You will then be notified both by telephone and in writing of the time and place of your hearing. If you have questions concerning filing a Demand for Hearing or the hearing process, please telephone the Hearings Unit, at 360-725-7002.

Cheryl Penn, ACP

Licensing Compliance Supervisor

Consumer Protection Division

Washington State Office of the Insurance Commissioner

360.725.7153 | cherylp@oic.wa.gov | www.insurance.wa.gov

P.O. Box 40257, Olympia, WA 98504-0257 / fax 360.586.2019

•wainsurance.blogspot.com •Twitter: @WAinsuranceblog •Facebook.com/WSOIC

Protecting Insurance Consumers

(Insurance Consumer Hotline 1.800.562.6900)

Ex 5

STATE OF WASHINGTON

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

OLYMPIA OFFICE:
INSURANCE BUILDING
P.O. BOX 40268
OLYMPIA, WA 98504-0268
Phone: (360) 726-7000



OFFICE OF
INSURANCE COMMISSIONER

000691362 07/08/14 500.00 ✓

IN THE MATTER OF

GINGER A. BAGLEY,

Licensee.

ORDER NO. 14-0118
SIMBA NO. 1158440
CONSENT ORDER LEVYING A FINE

WAOIC No. 777910
NPN 16118786

This Consent Order is entered into by the Washington State Office of the Insurance Commissioner ("OIC"), acting pursuant to the authority set forth in RCW 48.02.080, RCW 48.17.530, and RCW 48.17.560, and Ginger A. Bagley.

BASIS:

1. Ginger A. Bagley ("Ms. Bagley," or "Licensee") is a Resident Insurance Producer licensed to do business in the State of Washington. She has been licensed in Washington since 2010.
2. Ms. Bagley is currently appointed with AFLAC. She began working for that Company in January, 2011.
3. In November, 2013, an Investigator employed by AFLAC reported to OIC that Ms. Bagley had admitted placing 84 policies representing 36 clients on an employer group account for Ms. Bagley's own business, Sage Real Estate Solutions (SRES)¹. These insureds did not work for SRES.
4. Ms. Bagley admitted in a recorded interview with AFLAC, and in a separate recorded interview with OIC, that she placed 36 people who did not work for SRES on the group account for SRES.
5. She stated that she did this mainly for convenience's sake as it was simple to obtain quotes using the SRES employer account. However, if the customer was a member of a different employer account, and that employer number was not in her computer, she was unable

¹ SRES was a business that Ms. Bagley and her family had created to "flip" houses. Many of the insureds inappropriately listed on the SRES account were electricians and builders who had discussed doing work with SRES. However, SRES never purchased any houses or did any other business.

immediately to give the individual a quote. The same occurred if the individual was not a member of an existing employer account. Ms. Bagley therefore used the SRES account because that allowed her to quote the individuals immediately.

6. She stated that she did not know how to subsequently transfer the insureds' policies to the correct group account. She told the AFLAC Investigator that, once she had begun quoting people under the SRES account, "I guess it got out of hand. It got easy. It got abused."

7. AFLAC learned of this practice from one of the other insurance producers in Ms. Bagley's office. At the time of these events, Ms. Bagley was an AFLAC District Sales Coordinator, which is a supervisory position.

8. As a result of its investigation, AFLAC suspended Ms. Bagley from her position for 60 days (from December 6, 2013 to February 6, 2014). AFLAC also demoted her from her *supervisory role to sales associate. She was barred from seeking promotion within AFLAC for one year.*

9. Ms. Bagley remains an associate with AFLAC, actively writing business for the Company.

10. The AFLAC investigator reported to OIC that AFLAC does not believe it sustained a monetary loss as a result of Ms. Bagley's actions.

11. There were 84 violations involving 36 consumers.

12. OIC has no record of previous investigations or disciplinary actions against Ms. Bagley.

13. Under RCW 48.17.530(1), the Commissioner has authority to revoke, suspend, or place on probation an insurance producer's license and/or may levy a fine in accordance with RCW 48.17.560 for any of the following causes:

(b) Violating any insurance laws, or violating any rule, subpoena, or order of the commissioner or of another state's insurance commissioner;

(e) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance;

(g) Having admitted or been found to have committed any insurance unfair trade practice or fraud; or

(h) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere.

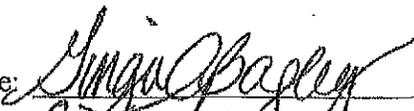
CONSENT TO ORDER:

The OIC and the Licensee agree that the best interests of the public will be served by entering into this Consent Order. NOW, THEREFORE, Ginger A. Bagley consents to the following in consideration of her desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of the Licensee's payment of a fine, and upon such terms and conditions as are set forth below.

1. Ginger A. Bagley acknowledges her duty to comply fully with the applicable laws of the State of Washington.
2. Ms. Bagley consents to the entry of this Order, waives any and all hearing rights, and further administrative or judicial challenges to this Consent Order.
3. By agreement of the parties, the Insurance Commissioner will impose a fine of \$500 (five hundred dollars), to be paid within thirty days of the entry of this ORDER.
4. Ms. Bagley understands and agrees that any future failure to comply with the statutes and regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violation.
5. The Licensee's failure to pay the unsuspended portion of this fine within thirty days of the execution of this Order shall constitute grounds for revocation of Ms. Bagley's insurance producer's license, and shall result in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.
6. This Consent Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the OIC involving the Licensee. However, the fact of this Consent Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issues or have any preclusive or collateral estoppel effects in any lawsuit by any party other than OIC.

EXECUTED this 3rd day of July, 2014.

GINGER A. BAGLEY

Signature: 
Printed Name: Ginger Bagley

AGREED ORDER:

Pursuant to the foregoing factual basis and consent to order, the Insurance Commissioner of the State of Washington hereby orders as follows:

1. Ginger A. Bagley shall pay a fine in the amount of \$500.
2. The Licensee's failure to pay the fine within thirty days of the execution of this Order shall result in the revocation of the Licensee's insurance producer's license and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.
3. This Consent Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the OIC involving the Licensee. However, the fact of this Consent Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issues or have any preclusive or collateral estoppel effects in any lawsuit by any party other than OIC.

ENTERED AT TUMWATER, WASHINGTON, this 9th day of July, 2014.

MIKE KREIDLER

Insurance Commissioner

By



Andrea L. Philhower
OIC Staff Attorney
Legal Affairs Division

5. Hardcopy letters were mailed to Ms. Mix's address of record on December 16, 2013 and January 31, 2014. Ms. Mix did not respond to the letters.

6. Ms. Mix's Washington non-resident insurance producer license, number 815105, was revoked by Order dated April 9, 2014. The revocation became effective April 23, 2014.

7. Ms. Mix would now like to reinstate her Washington non-resident insurance producer license.

CONCLUSIONS OF LAW:

1. By providing incorrect, misleading, incomplete, or materially untrue information in a license application, Jeannette Mix violated RCW 48.17.530(1)(a).

2. By failing to update her contact information, Jeannette Mix violated RCW 48.17.170(12) and WAC 284-17-005(2).

3. By failing to respond to inquiries from the Insurance Commissioner, Jeannette Mix violated RCW 48.17.475.

CONSENT TO ORDER:

Jeannette Mix acknowledging her duty to comply fully with the applicable laws of the state of Washington consents to the following in consideration of her desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of Ms. Mix's payment of a fine and such terms and conditions as are set forth below.

1. Jeannette Mix consents to the entry of this Order, waives any and all hearing rights, and further administrative or judicial challenges to this Consent Order.

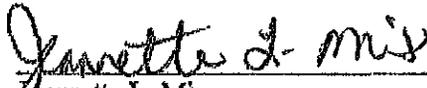
2. By agreement of the parties, the Insurance Commissioner will rescind Order Revoking License, No. 14-0068 and impose a fine of \$500, on the condition that Ms. Mix will pay the fine within thirty days of the entry of this Order.

3. Ms. Mix's failure to timely pay this fine shall result in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the state of Washington.

4. Upon receipt of the fine, the OIC will issue Ms. Mix a Washington non-resident insurance producer license.

5. Jeannette Mix understands and agrees that any future failure to comply with the statutes and regulations that are the subject of this Order constitutes grounds for further penalties.

EXECUTED this 24 day of June, 2014.


Jeannette L. Mix

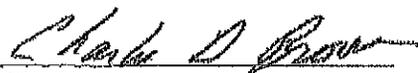
ORDER

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. Jeannette Mix shall pay a fine in the amount of \$500 within thirty days of the entry of this Order.
2. Ms. Mix's failure to pay the fine within the time limit set forth above and abide by the conditions of this Order shall result in the denial of her resident insurance producer license application and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the state of Washington.
3. Upon receipt of the fine, and submission of the appropriate application and fees, OIC will issue Jeannette Mix a Washington non-resident insurance producer license.
4. When the aforementioned conditions are met, OIC Order No. 14-0068 will be rescinded.

ENTERED AT TUMWATER, WASHINGTON, THIS 27th day of June, 2014.

MIKE KREIDLER
Insurance Commissioner

By: 
Charles D. Brown
OIC Senior Staff Attorney
Legal Affairs Division

Consent Order Levying A Fine And
Rescinding Previous Order Revoking
License No. 14-0068
Order No. 14-0110
Page 3 of 3

OFFICE OF INSURANCE COMMISSIONER

ORDER REVOKING LICENSE

No. 14-0068

Page 2

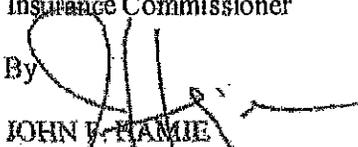
You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. 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 the Insurance Commissioner, to the attention of Patricia Petersen, Chief Hearing Officer, Hearings Unit, Office of Insurance Commissioner, P.O. Box 40255, Olympia, WA 98504-0255.

ENTERED AT TUMWATER, WASHINGTON, this 9th day of April, 2014.

MIKE KREIDLER
Insurance Commissioner

By


JOHN F. HAMIE
Deputy Insurance Commissioner

Program Analyst: Cheryl Penn

DECLARATION OF MAILING

I certify under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery of a true copy of this document to *Jeannette L. Mtx.*

Dated: *April 9, 2014*
At Tumwater, Washington


Kathy J. Marshall

NOTICE OF YOUR RIGHT TO A HEARING

You have the right to demand a hearing to contest this Order. During this hearing, you can present your argument that the Order should not have been entered for legal and/or factual reasons and/or to explain the circumstances surrounding the activities which are the subject of this Order. You may be represented by an attorney if you wish, although in some hearings before this agency parties do choose to represent themselves without an attorney.

Your demand for hearing should be sent to Office of the Insurance Commissioner, Attention: Patricia D. Petersen, Chief Hearing Officer, Hearings Unit, P.O. Box 40255, Olympia, WA 98504-0255, and must briefly state how you are harmed by this Order and why you disagree with it. You will then be notified both by telephone and in writing of the time and place of your hearing. If you have questions concerning filing a Demand for Hearing or the hearing process, please telephone the Hearings Unit, Office of the Insurance Commissioner, at 360/725-7002.

Your Demand for Hearing must be made within 90 days after the date of this Order; which is the date of mailing, or your Demand will be invalid and this Order will stand. If your Demand for Hearing is received before the effective date of this Order, the penalties contained in the Order will be stayed (postponed) until after your hearing.

It is important to know that if you demand a hearing, you will have two options for how it will be handled:

Option 1: Unless you specifically request Option 2, your hearing will be presided over by an administrative law judge from the Office of the Insurance Commissioner. Under this option, upon receipt of your Demand for Hearing, the Insurance Commissioner may refer the case to an administrative law judge. The administrative law judge is an individual who has not had any involvement with this case. The administrative law judge will hear and make the final decision in the case without any communication, input or review by the Insurance Commissioner or staff or any other individual who has knowledge of the case. This administrative law judge's final decision may uphold or reverse the Commissioner's action or may instead impose any penalties which are less than those contained in the Order.

Option 2: If you elect, your hearing will be presided over by an administrative law judge from the Office of Administrative Hearings. That administrative law judge will issue an initial or recommended decision which will then be sent to the Insurance Commissioner. The Insurance Commissioner, or his designee, will review the initial decision and make the final decision. The Insurance Commissioner's final decision in the case may uphold, reverse or modify the initial decision, thereby changing the penalty which is recommended in the initial decision. In writing the final decision, the Insurance Commissioner is not bound by the findings of facts or conclusions of law which were made in the initial decision.

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone (360) 725-7000
www.insurance.wa.gov



OFFICE OF
INSURANCE COMMISSIONER

IN THE MATTER OF

WILLIAM E. SAYLOR,

Licensee.

ORDER NO. 14-0029

CONSENT ORDER PLACING PRODUCER
LICENSE ON PROBATION AND
IMPOSING A FINE

The Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.17.560 and RCW 48.17.530, and having reviewed the official records and files of the Office of the Insurance Commissioner ("OIC"), makes the following:

FINDINGS OF FACT:

1. William E. Saylor ("Saylor" or "Licensee") is licensed as a producer of life, disability, property, casualty and variable line insurance residing in Lakewood. He was first licensed as an agent on July 18, 2003. He is sixty-eight years old. He has no prior disciplinary history.
2. Allstate Insurance Company ("Allstate") terminated Saylor's appointment for cause for writing thirteen (13) renter's insurance policies without the consumers' knowledge or consent. Saylor paid for the policies himself, and eventually was out-of-pocket a total of \$619.49. Allstate stated that such activity was a violation of Saylor's exclusive agency agreement. Saylor admitted to the OIC that he had written the 13 fictitious policies so he would meet his Allstate quota.
3. Saylor presented himself at the OIC on June 21, 2013 and spoke with OIC Licensing Compliance Analyst, Cheryl Penn. Saylor said that he wanted to find out what his options were and possible consequences. Saylor added that he is 68 years old, supports his family through selling insurance and is very concerned. Saylor said that at the time, he didn't believe he was doing anything wrong because there was no harm to the consumer. Saylor was sincere and remorseful.

CONCLUSIONS OF LAW:

1. Under RCW 48.17.530(h), the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or may levy a civil



penalty or any combination of actions, for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere.

2. Saylor's writing of multiple renters insurance policies without the insureds' knowledge or consent authorizes OIC to place his producer license on probation and to impose a fine.

CONSENT TO ORDER:

Saylor, acknowledging his duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of his desire to remain licensed as an insurance producer in Washington and to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of the terms set forth below.

1. Saylor consents to the entry of this Order, waives any and all hearing rights, and further administrative or judicial challenges to this Consent Order.

2. By agreement of the parties, the Insurance Commissioner will place Saylor's producer license on probation for a period of five (5) years, with the following conditions:

a. Saylor pays a fine of \$1,000.00 (One Thousand Dollars) within thirty days of the entry of this Order.

b. Saylor understands and agrees that any future failure to comply with the statutes and regulations governing the insurance industry constitutes grounds for any further penalties which may be imposed in direct response to such further violation, in addition to the revocation of his probationary insurance producer's license.

EXECUTED this 27th day of FEBRUARY, 2014.

William E. Saylor



ORDER

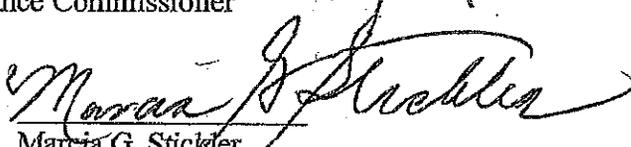
Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. Saylor shall pay a fine of \$1,000.00 (One Thousand Dollars) within thirty days of the entry of this Order.
2. Upon receipt by OIC of this signed Consent Order, a probationary Washington insurance producer's license will be issued to Saylor for a period of five (5) years.
3. Mr. Saylor's failure to comply with the terms of his probationary license shall result in the revocation of his Washington insurance producer's license and in any other enforcement action which may be taken as a result of such further violation.

ENTERED AT TUMWATER, WASHINGTON, this 3^d day of March, 2014.

MIKE KREIDLER
Insurance Commissioner

By


Marcia G. Stickler
OIC Staff Attorney
Legal Affairs Division

STATE OF WASHINGTON

MIKE KREIDLER
STATE INSURANCE COMMISSIONER



OLYMPIA OFFICE
INSURANCE BUILDING
P O BOX 40258
OLYMPIA, WA 98504-0258
Phone (360) 725-7000

OFFICE OF
INSURANCE COMMISSIONER

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In Re the Matter of
MATHEW J. WEBB,

Licensee.

ORDER NO. 14-0137

**AMENDED CONSENT ORDER
SETTING CONDITONS FOR
PROBATIONARY PRODUCER'S
LICENSE AND APPOINTING A
MENTOR**

The Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.17.060 and RCW 48.17.530, and having reviewed the official records and files of the Office of the Insurance Commissioner ("OIC"), makes the following:

FINDINGS OF FACT:

1. Mathew J. Webb (hereinafter, "Mr. Webb" or "licensee") applied for a Washington State Resident Insurance Producer's license, which application is dated May 23, 2014.

2. Mr. Webb disclosed on his license application that in 2013 he was charged with two felonies for 1) obtaining or attempting to obtain a controlled substance by fraud or forgery; and 2) unlawful possession a controlled substance. He was also charged with theft in the third degree, a gross misdemeanor.

3. Mr. Webb received a deferred sentence that will not be realized until at least November 2014. The diversion deferral withholds prosecution and upon his successful completion of the diversion conditions there will be no conviction on these charges.

4. Mr. Webb's restitution obligation has been paid in full as well as his court ordered "Drug Fund Contribution" payments. The remaining conditions of the diversion program, including successful participation in chemical dependency treatment and dismissal of the charges will not be complete until at least November 2014.

- 1 b. Mr. Webb will provide the Insurance Commissioner a written statement which
2 certifies that he has had no other disciplinary actions or criminal violations other
3 than *misdemeanor traffic violations in the last five (5) years.*
- 4 c. Upon successful completion of the terms of Mr. Webb's deferred
5 sentence/diversion program, Mr. Webb will provide the Insurance Commissioner
6 with documentation and written proof that the charges are dismissed. While in the
7 *diversion program, Mr. Webb will provide sufficient documentation to his mentor*
8 *from the diversion program to verify his continued success in the program in order*
9 *to assist the mentor in completing the quarterly reports. Mr. Webb will also*
10 *immediately notify the OIC if he is discharged from the diversion program without*
11 *successfully completing the program or if any other charges arise during this*
12 *probationary period.*
- 13 d. Mr. Webb will have an insurance producer who agrees via Consent Order to act
14 as his mentor. "Mentor," as used in this Order, means a Washington Resident
15 Insurance Producer whose license is in good standing, and who is in a position
16 to observe Mr. Webb's work, review all records of Mr. Webb's insurance
17 activities, review any application Mr. Webb submits, speak to Mr. Webb daily,
18 meeting with him weekly, and report to OIC quarterly on Mr. Webb's
19 compliance with this Order.
- 20 e. That mentor will be Karlie Spence ("Ms. Spence"). Substitution of another
21 mentor will be required if Mr. Webb wishes a mentor other than Ms. Spence,
22 Ms. Spence no longer consents to act as Mr. Webb's mentor, or OIC determines
23 that Ms. Spence is no longer qualified to act as Mr. Webb's mentor. Mr. Webb
24 may not engage in any activities that constitute the business of insurance
25 without having a current mentor. A "current mentor" is one who has signed a
26 Consent Order with OIC appointing him or her to act in this capacity, which
Order is in effect at the time.
- i. OIC will perform a background check on the mentor to ensure that mentor
has no background issues that would make him/her unsuitable, and approve
the mentor if possible.

1 ii. Mentor must agree to monitor and be responsible for Mr. Webb's
2 professional conduct, with consequences for failure to do so.

3 iii. As licensee responsible for consumer protection as to Mr. Webb's conduct,
4 mentor's consequences will be as OIC deems appropriate to the
5 circumstances, and may include fine, suspension, or revocation of license.

6 f. The mentor will provide quarterly reports on Mr. Webb's professional conduct,
7 client interactions, current status in the diversion program, access to funds and
8 fund management during the probationary period. The first of these quarterly
9 reports will be due three months from the date this Consent Order is entered.
10 Subsequent reports will be due every three months thereafter. These quarterly
11 reports will be sent to:

12 Producer Licensing Manager
13 Office of the Insurance Commissioner
14 Insurance 5000 Building
15 P.O. Box 40255
16 Olympia, WA 98504-0255

17 g. Mr. Webb and his mentor shall respond within five business days to any OIC
18 request for a subsequent report of Mr. Webb's activity.

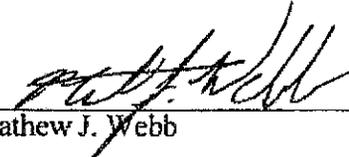
19 h. The license issued to Mr. Webb will be a probationary Washington Resident
20 Insurance Producer's license under RCW 48.17.530. Under the terms of this
21 probationary license, for the period of his first issued license or until the terms of
22 his deferred sentence/diversion program have been successfully completed,
23 whichever is later, if Mr. Webb violates the conditions of this deferred
24 sentence/diversion program, violates the terms of this Consent Order, any
25 administrative action is taken against any license Mr. Webb holds with any state or
26 governmental agency, any action is taken against Mr. Webb by FINRA, or if Mr.
27 Webb is convicted of any criminal violation other than misdemeanor traffic
28 violations, this probationary Washington Resident Insurance Producer license will
29 be revoked.

30 i. Mr. Webb understands and agrees that any failure to comply with the statutes and
31 regulations governing the insurance and securities industries, or future conviction
32 of a crime other than misdemeanor traffic violations, constitutes grounds for any

1 further penalties which may be imposed in direct response to such further
2 violation, in addition to the revocation of his probationary Washington Insurance
3 Producer's license.

4 EXECUTED this 17th day of July, 2014.

5 **MATHEW J. WEBB**

6
7 
8 _____
Mathew J. Webb

9 **CONSENT TO ACT AS MENTOR**

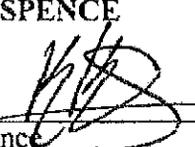
10 1. Karlie Spence represents that she will be Mr. Webb's direct supervisor and will
11 directly supervise all work of Mr. Webb throughout the duration of the probationary period or
12 until an Order appointing a substitute mentor has been entered with OIC.

13 2. Karlie Spence agrees to be bound by the conditions of this mentorship as set forth
14 in Consent to Order Paragraphs 2(d - g) above. This includes the possibility of disciplinary action
15 against Ms. Spence's Washington Resident Insurance Producer's license as determined
16 appropriate by OIC for any misconduct by Ms. Spence as Mr. Webb's mentor.

17 3. Karlie Spence agrees to report immediately to OIC any violation of the
18 Washington Insurance Code or the terms of this Order by Mr. Webb.

19 EXECUTED this 17th day of July, 2014.

20 **KARLIE SPENCE**

21 
22 _____
Karlie Spence

1 **ORDER**

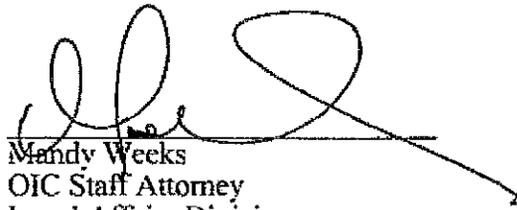
2 Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the
3 Insurance Commissioner hereby orders as follows:

- 4 1. Mathew Webb shall comply with the conditions set forth above.
- 5 2. Upon receipt by OIC of this signed Consent Order and the certification set forth in
6 paragraph (2)(b), above, a Probationary Resident Insurance Producer's license will
7 be issued to Mr. Webb by OIC and Ms. Spence will be appointed as Mr. Webb's
8 mentor.
- 9 3. Mr. Webb shall comply with and carry out all applicable laws governing the
10 insurance and securities industries in all states in which he does business, and will
11 also comply with all criminal laws.
- 12 4. Mr. Webb's failure to comply with the terms of his probationary licensure shall
13 result in the revocation of his Probationary Resident Insurance Producer's license
14 and in any other enforcement action which may be taken as a result of such further
15 violation.
- 16 5. Ms. Spence shall comply with and carry out all the duties of a mentor as set forth
17 in this Consent Order.
- 18 6. Ms. Spence's failure to comply with the terms of her mentorship shall result in
19 appropriate disciplinary action as determined by OIC.

20 ENTERED AT TUMWATER, WASHINGTON, this 22nd day of July, 2014.

21 MIKE KREIDLER
22 Insurance Commissioner

23 By

24 
Mandy Weeks
OIC Staff Attorney
Legal Affairs Division

25 Amended Consent Order Setting Conditions For
26 Probationary Producer's License And
Appointing A Mentor
OIC Order No. 14-0137
Page 6 of 6

Penn, Cheryl (OIC)

From: Penn, Cheryl (OIC)
Sent: Monday, March 24, 2014 2:22 PM
To: Stickler, Marcia (OIC)
Subject: RE: Paul Genest

Okay. I had talked with Mike Bertrand earlier and he said the woman from American Family may be willing to testify at hearing.

From: Stickler, Marcia (OIC)
Sent: Monday, March 24, 2014 2:21 PM
To: Bertrand, Mike (OIC); Penn, Cheryl (OIC); Durphy, Mark (OIC)
Cc: Baughman, Jeff (OIC)
Subject: RE: Paul Genest

I just reviewed the revocation order, and I think we should deny, even if he asks for a hearing.

From: Bertrand, Mike (OIC)
Sent: Monday, March 24, 2014 12:22 PM
To: Penn, Cheryl (OIC); Durphy, Mark (OIC); Stickler, Marcia (OIC)
Cc: Baughman, Jeff (OIC)
Subject: RE: Paul Genest

After the order was issued, I got a call from another producer that Mr. Genest worked for that had the same issues with him regarding missing premiums. I spoke to Marcia about it briefly, but since we no longer had jurisdiction over Mr. Genest, I advised that person she would need to contact law enforcement. I did not keep her contact information. Mr. Genest would have to reveal any other offices that he worked in after he left his own agency so that information could be obtained. In my opinion, the RCW that was used to revoke his license was well placed in his case.

From: Penn, Cheryl (OIC)
Sent: Monday, March 24, 2014 11:53 AM
To: Bertrand, Mike (OIC); Durphy, Mark (OIC); Stickler, Marcia (OIC)
Cc: Baughman, Jeff (OIC)
Subject: Paul Genest

Mr. Genest's license was revoked in December 2013 after Investigations conducted an investigation – SIMBA 1058557. The order revoking his license did not stipulate a period of time of revocation so when he called today asking for the opportunity to reactivate his license, we removed the block. He has now submitted an application. I have attached a copy of his statement.

I am asking for input as to whether the application should be denied or not based on Investigation's case and Legal's opinion. Mr. Genest said he was applying at the advice of the Hearing Officer's Administrative Assistant and he was told if the application is denied, he could request a hearing.

Cheryl Penn, ACP
Licensing Compliance Supervisor
Producer Licensing & Oversight
Washington State Office of the Insurance Commissioner
360.725.7153 | cheryl@oic.wa.gov | www.insurance.wa.gov

Penn, Cheryl (OIC)

From: Penn, Cheryl (OIC)
Sent: Monday, March 24, 2014 12:20 PM
To: Durphy, Mark (OIC)
Subject: RE: Paul Genest

Okay, thanks Mark.

From: Durphy, Mark (OIC)
Sent: Monday, March 24, 2014 12:19 PM
To: Penn, Cheryl (OIC); Bertrand, Mike (OIC); Stickler, Marcia (OIC)
Cc: Baughman, Jeff (OIC)
Subject: RE: Paul Genest

Investigations will defer to Legal (Marcia) on this issue. Thanks.

Mark W. Durphy, CFE, CIG, CIGI
Investigations Manager, Legal Affairs Division
State of Washington, Office of the Insurance Commissioner
P.O. Box 40255, Olympia, WA 98504-0255
Direct: (360) 725-7261

From: Penn, Cheryl (OIC)
Sent: Monday, March 24, 2014 11:53 AM
To: Bertrand, Mike (OIC); Durphy, Mark (OIC); Stickler, Marcia (OIC)
Cc: Baughman, Jeff (OIC)
Subject: Paul Genest

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Cheryl Penn, ACP

Licensing Compliance Supervisor
Producer Licensing & Oversight
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Protecting Insurance Consumers