

BEFORE THE OFFICE OF THE INSURANCE COMMISSIONER  
STATE OF WASHINGTON

FILED

In Re the Matter of:

No. 14-0102

2014 SEP -3/8 A 10:22  
KAC

PAUL D. GENEST,

DECLARATION OF MARCIA G.  
STICKLER

Respondent

I, Marcia G. Stickler, do voluntarily provide this declaration freely and without threats or promises, and state under penalty of perjury under the laws of the State of Washington, that the following facts are personally known to me, and, if called upon to do so, I could and would testify competently to them.

1. I am the Insurance Enforcement Specialist to whom the Insurance Commissioner has delegated his authority to present the agency position on enforcement matters at administrative hearings (Attached) such as the present proceeding.
2. In that capacity, I received an email on December 17, 2013 from Mr. Genest, after the revocation of his license had taken effect on December 7, 2013 (Attached). In that email, Mr. Genest requested information regarding the investigation. I sent a brief reply agreeing to forward his questions to our Investigations Unit, which I did in the same email reply. Among other statements made in his email, Mr. Genest stated that he realized that he the right to a hearing.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF WASHINGTON STATE THAT THE FOREGOING IS TRUE AND CORRECT.

Dated this 2<sup>nd</sup> day of September, 2014.

  
Signature of Declarant

Marcia G. Stickler  
Printed Name of Declarant



OFFICE OF  
INSURANCE COMMISSIONER

DELEGATION OF AUTHORITY

I, Mike Kreidler, Insurance Commissioner of the state of Washington, make this delegation under the authority granted to the Insurance Commissioner in RCW 48.02~~A~~.100.

I do hereby delegate to AnnaLisa Gellermann, Deputy Insurance Commissioner for Legal Affairs, and her staff of Insurance Enforcement Specialists, the authority to issue enforcement orders, propose and enter into settlements related to enforcement matters, and present the agency position on enforcement matters and any other adjudicative administrative proceedings involving the Office of Insurance Commissioner. Attorney representation of the Commissioner and the agency, as well as the creation of any related privilege, is reserved for statutory counsel assigned by the Office of the Attorney General.

This delegation will not control if the Commissioner determines he will present the agency position, if he determines he will ask the Office of the Attorney General to represent him in an administrative hearing, or if the Commissioner makes a specific delegation with respect to a specific proceeding.

Dated this 14 day of July, 2014.

A handwritten signature in black ink, appearing to read "Mike Kreidler", written over a horizontal line.

Mike Kreidler  
Insurance Commissioner

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Thank you for bringing your concerns to our attention and allowing us the opportunity to respond.

Sincerely,

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

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**From:** Stickler, Marcia (OIC)  
**Sent:** Wednesday, December 18, 2013 8:49 AM  
**To:** 'Paul@PaulGenestAgency.com'  
**Cc:** Bertrand, Mike (OIC); Durphy, Mark (OIC)  
**Subject:** RE: License Order No. 13-0313

Good Morning, Mr. Genest. I no longer have your file in my office, so I can't really respond to specifics. I am not involved in the investigation phase of a case, but only the enforcement action. I will forward your email to the Investigations section for their point of view. I can tell you that we have no authority to "compel" AMFAM to return your information as that is between you and AMFAM. I'm sorry you were not satisfied with the conduct of the investigation. You may submit any information you like about AMFAM to the Investigations unit of the OIC. You can contact Lisa at (360) 725-7060.

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**From:** Paul Genest [<mailto:paulgenestagency@gmail.com>]  
**Sent:** Tuesday, December 17, 2013 4:26 PM  
**To:** Stickler, Marcia (OIC)  
**Subject:** License Order No. 13-0313

Good afternoon Ms. Stickler.

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I am writing to ask a few questions regarding order #13-0313.

First, according to the OIC website, the investigation was closed on 10/7/13. Since I never received any additional contact past the initial request for information in February 2012, nor was I given an opportunity to respond to the allegations that they specified later, I am curious why the investigation took 18 months to be concluded?

Since Teresa Clements was given an opportunity to respond on March 1, 2012 and contradicted information I had provided in my reply the earlier month, why was I not given this information or allowed an chance to respond?

In my reply to the OIC's request for information, I indicated that at AMFAM's request, I had left all documentation and computer programs installed on their systems for them to review. I stated that the laptop I had been issued included accounting software that could easily show that the monies received were applied properly, and that the company itself had misapplied funds to the incorrect accounts. I stated that AMFAM had refused to provide me with that accounting information or release my paper bank statements. I have been told that AMFAM deleted this information on computer systems, and have yet to return my bank information.

Since AMFAM apparently provided documentation regarding specific clients to the OIC, is there a reason the OIC would not then compel the company to return my information? One would believe that an organization that states they "we protect consumers, the public interest and our state's economy by providing fair and efficient regulation of the insurance industry" would want both parties to have equal chance to provide pertinent information. In this situation however, I was unable to respond after the OIC did their telephone interview with Ms. Clements; I was not given an opportunity during the investigation to speak with anyone; the company that was making allegations was allowed to continue to withhold information that could exonerate me; and I was not given the chance to provide the company's own documentation (contract) that refutes their statements. As an example, the agency contract states that the agent is allowed only deposit power into the premium trust account. In order to keep your appointment, the agent's manager must received information from the agent's bank stating funds can not be removed by anyone except American Family.

I know that orders are considered public record. Since the order does not state information initially provided by both parties, and since neither I nor counsel were given an opportunity to respond to specifics that AMFAM provided, doesn't the availability of this order on the website rise to the level of libel? I ask only because it is not a true representation of the circumstances, and while not malicious it is certainly damaging..

I do realize that I have an opportunity to request a hearing on the matter. Unfortunately, AMFAM has been known for going to great lengths to prevent any former agents from continuing to have a career in the insurance

industry. Whether it's merely to protect overall retention or to reduce overhead expenses in a fairly recent expansion state, they have managed to keep former agents from taking the business they obtained for the company. In doing so, they are able to keep the commission that would have been paid for four years before a new agent can receive it. Since I'm aware of what they're loss ratios have been the last few years, it makes sense they would do what they had to to keep that \$800,000.00 for themselves (only from my book of business, not including other former agents), and have certainly made sure that I would never continue in the only industry I've known my adult life.

Since I'm not pursuing any future in the industry, and no longer have to concern myself with AMFAM's wrath, who would I contact to make the government aware of the company's unscrupulous business practices? Not even sure if the OIC would have any interest, as state management made quite clear the information is considered proprietary.

I appreciate your reply to these questions.

Paul Genest

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