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HEARINGS UNIT
OFFICE OF
INSURANCE COMMISSIONER

THE STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of
PACIFIC STAR INSURANCE COMPANY,
Authorized Insurer,

NO. 16-0043

**Objection to Insurance
Commissioner's Order
And
Notice of Intent to Appeal**

Pacific Star Insurance Company ("Pacific Star"), by and through its undersigned counsel, hereby files its **OBJECTION** to the Insurance Commissioner's Order On Pacific Star's Objection To Notice Of Receipt Of OIC Notice Of Request For Hearing And Scheduling Of Hearing ("Order"), filed by the Hearings Unit of the Office of the Insurance Commissioner ("OIC") on June 22, 2016 and received by Pacific Star and its counsel on June 27, 2016, and also files herewith its **NOTICE OF INTENT TO APPEAL** the Insurance Commissioner's Order.

The legal bases on which Pacific Star files its **Objection** to the Insurance Commissioner's Order and its **Notice of Intent to Appeal** include, but are not limited to the following:

OBJECTION TO ORDER and
NOTICE OF INTENT TO APPEAL - 1

— KREGER BEEGHLY, PLLC —
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Seattle, WA 98104-4088
(206)829-2708

1 1. The Insurance Commissioner, by and through his designee, Presiding
2 Officer William Pardee, misinterprets and disregards the clear and unambiguous
3 statutory mandates set forth in RCW 43.10.030 and RCW 43.10.040, and well as the
4 directive set forth in Article III, Section 21 of the Washington State Constitution, that
5 the Attorney General of the State of Washington, and only the Attorney General of the
6 State of Washington, shall represent the Insurance Commissioner in any legal or quasi-
7 legal capacity and before all administrative tribunals or bodies of any nature in all legal
8 or quasi-legal matters, hearing, or proceedings.

9 2. The Insurance Commissioner, by and through his designee, Presiding
10 Officer William Pardee, misinterprets and disregards the clear and unambiguous
11 statutory mandate set forth in RCW 43.10.067 prohibiting the Insurance Commissioner
12 from employing, appointing, or retaining in employment any attorney or any other
13 person to act as attorney in any legal or quasi-legal capacity in the exercise of any of
14 the powers or performance of any duties to be performed by the Attorney General of
15 the State of Washington.

16 3. The Insurance Commissioner, by and through his designee, Presiding
17 Officer William Pardee, totally disregards the unequivocal directive of the Washington
18 State Supreme Court in *Goldmark v. McKenna*, 172 Wn.2d 568, 259 P.3d 1095 (2011)
19 that “only the attorney general or an SAAG may represent the commissioner since
20 RCW 43.10.067 prohibits the commissioner from hiring outside counsel.”

21 4. The Insurance Commissioner, by and through his designee, Presiding
22 Officer William Pardee, erroneously concludes that the Insurance Commissioner may
23 rely on his own interpretation of the enabling legislation of the Office of the Insurance
24 Commissioner and, therefore, that he may rely on his own determination of the actions

1 that he feels he is entitled to take as a matter of "tradition." Not only is this conclusion
2 expressed in the Insurance Commissioner's Order clearly wrong, it also shows utter
3 disdain for Supreme Court's authority to interpret statutes and the Court's stern
4 admonition in *In Re Electric Lightwave, Inc.* 123 Wn.2d 530, 869 P.3d 1045 (1994)
5 that "we do not defer to an agency the power to determine the scope of its own
6 authority."

7 5. Pacific Star intends to file and make all such motions as may be necessary
8 and appropriate on the course of this matter as it may proceed through hearing. Such
9 motions may include, but not be limited to: motions to dismiss in accordance with
10 Supreme Court holdings; motions to disqualify any attorney other than the Attorney
11 General attempting to represent the Insurance Commissioner or to act in any legal or
12 quasi-legal capacity; objections to any employee of the Insurance Commissioner
13 engaging in any activity defined as the practice of law under Supreme Court Rules; and
14 such other motions or objections as may be necessary at or before the time of any
15 hearing conducted on this matter.

16
17 DATED this 11th day of July, 2016

18
19 KREGER BEEGHLY, PLLC

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21 
22 Brian F. Kreger
23 WSBA Number 10670

24 Attorney for Pacific Star Insurance Co.

OBJECTION TO ORDER and
NOTICE OF INTENT TO APPEAL - 3

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CERTIFICATE OF SERVICE

I, Brian F. Kreger, under penalty of perjury under the laws of the State of Washington do hereby declare and certify that I served and caused to be delivered by electronic mail and regular United States Postal delivery, the foregoing **OBJECTION** to the Insurance Commissioner's Order On Pacific Star's Objection To Notice Of Receipt Of OIC Notice Of Request For Hearing And Scheduling Of Hearing and **NOTICE OF INTENT TO APPEAL** on the following parties or persons at the last known addresses given below:

Hearings Unit
Office of the Insurance Commissioner
P.O. Box 40257
Olympia, WA 98504-0257

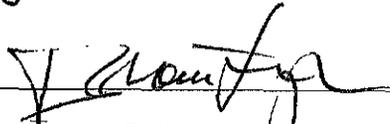
Mr. Drew Stillman
Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

Attention: William Pardee
Presiding Officer

and to: DrewSt@oic.wa.gov

And to: Dorothy Seabourne-Taylor
DorothyS@oic.wa.gov

Executed on this 11th day of July, 2016 in Seattle,
Washington.



Brian F. Kreger