



State of Washington
Office of the Insurance Commissioner
Hearings Unit
PO Box 40255
Olympia WA 98504-0255
5000 Capitol Boulevard
Tumwater, WA 98501
(360) 726-7002 FAX (360) 684-2782
HearingsU@oic.wa.gov

Demand for Hearing

FILED

Please type or print in ink. Attach a copy of the Order or correspondence in dispute and all documents supporting your demand. This Demand for Hearing can be mailed, faxed, hand-delivered or emailed to the Hearings Unit at the address above. For OIC Demands, please provide contact information for all other interested parties and their representatives.

JUN 28 A 6:55

1 Requesting Party (required information)		
Name/Business Name Stacey Scott		OIC Case/Order No. 825683/17-0144
Street Address 2212 Queen Anne Ave. N		City, State, Zip Seattle, WA 98109
Telephone Number 206-679-8216	Fax Number	
Contact Person	Telephone Number	Email Address staceyscott2012@hotmail.com

HEARINGS UNIT
OFFICE OF
THE INSURANCE
COMMISSIONER

2 Authorized Representative/Attorney for Requesting Party		
Last Name Bloom	First Ragnar	M.I. H
Business Name The Rosenberg Law Group, PLLC		
Street Address 500 Union Street, Suite 510		City, State, Zip Seattle, WA 98101
Telephone Number 206-407-3300	Fax Number 206-407-3097	Email Address ragnar@rosenberglawgroup.net

3 Subject Matter of Demand for Hearing		
<input checked="" type="checkbox"/> Revocation or Denial of License	<input type="checkbox"/> Revocation or Denial Certificate of Authority or Registration	<input type="checkbox"/> Cease and Desist Order
<input type="checkbox"/> Imposition of Fine/Consent Order	<input type="checkbox"/> Other _____	

4 Additional Parties/Representatives (for more parties and/or representatives, please attach additional pages)		
Last Name	First	M.I.
Business Name The Rosenberg Law Group, PLLC		
Street Address		City, State, Zip
Telephone Number	Fax Number	Email Address

5 Issues and Arguments

a. **Issues** – Briefly describe each issue or area of dispute that you wish us to consider. Attach additional pages if necessary.

Even as characterized in the revocation order, licensee's conduct was not fraudulent or unethical - she disclosed at the time that she had had to borrow money from the petty cash drawer and that she would pay it back promptly. No money from clients or "received in the course of doing insurance business" was involved. This is at most a personnel and HR issue. It has no nexus to the public. The order also indicates that licensee failed to provide her contact information to OIC. The revocation order was mailed to her correct address and her contact information is provided above again. The order indicates in paragraph No. 17 that revocation is justified because licensee took money from the petty cash drawer on two occasions and failed to report a change of address. A sanction of revocation on these facts is not warranted.

b. **Arguments** – Explain why each issue or area of dispute listed above should be decided in your favor. Attach additional pages if necessary. To the extent known, cite applicable rules, statutes, or cases in support of your arguments. Enclose copies of documents concerning your arguments including documents the Department previously requested from you that you have not yet provided.

Please see section (a) above, incorporated by reference here. The alleged facts do not entail fraud or deception, do not impact consumers in Washington, and do not merit revocation.

6 Signature

Either the Requesting Party or the Attorney/Representative can sign this Demand for Hearing. However, if the Representative is submitting the Demand, contact information for the Requesting Party must be provided under Section 1 above and the Attorney/Representative's contact information must be provided in Section 2.

Requesting Party:

Signature

Name (please print or type)

Authorized Representative:

R. Bloom

Signature

Ragnar Bloom

Name (please print or type)

Date

Title

6/28/2017

Date

Attorney for licensee

Title

STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In The Matter of

STACEY SCOTT,

Licensee.

ORDER NO. 17-0144

WAOIC NO. 825683

NPN 16873789

ORDER REVOKING LICENSE

To: Stacey Scott
1610 3rd Avenue West
Seattle WA 98119

Stacey Scott
2212 Queen Anne Ave N.
Seattle WA 98109-2312

staceyscott2012@hotmail.com

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your Washington State insurance producer license is **REVOKED**, effective **July 7, 2017**, pursuant to RCW 48.17.530.

BASIS:

1. Stacey Scott ("Ms. Scott") was a Washington resident insurance producer, WAOIC No. 825683, licensed January 22, 2013. Ms. Scott's license expired on January 3, 2017.
2. On July 8, 2016, State Farm notified the Insurance Commissioner that Ms. Scott's appointment as a licensed representative had been terminated for cause for taking money from the office petty cash drawer on two separate occasions.
3. State Farm agent Chris Gibbens ("Mr. Gibbens") said that Ms. Scott took money from his agency's petty cash drawer on two occasions. The first time was in March 2016 and the second time was in June 2016. Mr. Gibbens keeps \$100 in the petty cash to make change for customers who pay in cash or for emergent business needs when he is not in the office. An

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emergent business need is making or paying for an urgent office expense, like running out of paper or ink for the printer, if he is not available.

4. Before Mr. Gibbens went on vacation in February 2016, he told Ms. Scott that in order for him to pay her, she had to send her sales numbers to his private gmail account because he would not have access to his work email. He did not receive the information, and when he returned to Seattle, he stopped by his office to check his business email. Mr. Gibbens found that he had an email from Ms. Scott on Friday March 4, 2016, saying that she took \$100 from the petty cash drawer because she had an overdraft on her bank account. The email from Ms. Scott dated March 4, 2016, read: *"I wanted to let you know that I'm using the money in the change drawer. I had an automatic draft come through today (3/4) which normally isn't an issue but I set up a rule that if the 5th of the month falls on a weekend, to take it the last business day before. With that coming out, I was over drawn and had an overdraft fee. I will replace the money ASAP, on or before end of the day Monday."*

5. Mr. Gibbens talked to Ms. Scott on March 7, 2016, reiterating the conversation they had before he left on vacation, and Ms. Scott told him that she forgot his instructions. He told Ms. Scott that the petty cash drawer was for business needs, not personal and to not do it again. Mr. Gibbens followed up with an email to Ms. Scott. He said that he expected the money to be back in the drawer the following day, March 8th. However, Ms. Scott did not repay the money until the end of the week.

6. The second time Ms. Scott took funds from the petty cash drawer, she texted a co-worker, Mr. Gibbens' office manager Cyan Quinn ("Ms. Quinn"), on June 3, 2016, that: *"I borrowed from the cash in the office, to eat. Is there any way you would spot me a \$20 until Mon? (put \$ in the cash drawer)."*

7. However, Ms. Scott had asked Ms. Quinn for \$20 to buy food on June 2, 2016, the day before. Ms. Quinn gave Ms. Scott her credit card and Ms. Scott spent about \$16 buying chips and soda. Ms. Quinn refused to cover for Ms. Scott again and showed the text to Mr. Gibbens.

8. Ms. Quinn then messaged Ms. Scott on June 6, 2016, writing *"You were hungover the next day, bought shoes then borrowed my credit card for soda and chips. Then asked me again for \$20. Then we were actually missing \$42. . . . you can see why my perception of you is a little different and I'm wary of what to believe."*

9. Ms. Quinn further noted that on May 26, 2016, there was an issue with a policyholder, where Ms. Scott took a cash premium payment but forgot to deposit it. The policyholder called and said that he received a payment due notice and Mr. Gibbens asked if they got a payment from him. Ms. Scott said she took cash but couldn't find the money. Ms. Quinn said she doesn't know where Ms. Scott found the money but somehow found it and put it in the deposit bag.

10. When Mr. Gibbens questioned Ms. Quinn and Ms. Scott, Ms. Scott admitted to taking the money in March and June 2016 for personal use. Mr. Gibbens then terminated Ms. Scott. Although Ms. Scott returned the funds in both incidents, he believes that Ms. Scott's actions were unethical and showed a lack of integrity.

11. Ms. Scott was notified of this investigation in a letter dated August 18, 2016. The letter was returned to the Insurance Commissioner with an address that Ms. Scott had not reported to the Insurance Commissioner. As of this writing, Ms. Scott has not notified the Insurance Commissioner of her address change.

12. Ms. Scott admitted that the allowable use for the petty cash other than making change for clients was in the event of an emergency such as running out of office supplies when Mr. Gibbens was not in the office. Ms. Scott also admitted that after the March 2016 incident, Mr. Gibbens told her to not take money from the petty cash again for personal use again.

13. RCW 48.17.170(12) and WAC 284-17-005 provide that licensees shall inform the Insurance Commissioner by any means acceptable to the Insurance Commissioner of any change of address within thirty days of the change. Failure to timely inform the Insurance Commissioner of a change in legal name or address may result in a penalty under either RCW 48.17.530 or 48.17.560, or both. By failing to inform the Insurance Commissioner of her change of address, Ms. Scott violated RCW 48.17.170(12) and WAC 284-17-005.

14. RCW 48.17.530(1)(d) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license for improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business. By taking money from the agency's petty cash for personal use and without permission, Ms. Scott violated RCW 48.17.530(1)(d).

15. RCW 48.17.530(1)(h) allows the Insurance Commissioner to place on probation,

suspend, revoke, or refuse to issue or renew an insurance producer's license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere. By taking money from the agency's petty cash for personal use and without permission, Ms. Scott violated RCW 48.17.530(1)(h).

16. RCW 48.17.530(1)(b) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license for violating any insurance laws, or violating any rule, subpoena, or order of the Insurance Commissioner or of another state's insurance commissioner. Ms. Scott's violations of RCW 48.17.170(12), and WAC 284-17-005, justify imposition of a penalty under RCW 48.17.530(1)(b).

17. By taking money from the office petty cash drawer on two separate occasions, and by failing to report her change of address to the Insurance Commissioner, the Licensee violated RCW 48.17.170(12), WAC 284-17-005, RCW 48.17.530(1)(d), and RCW 48.17.530(1)(h), justifying the revocation of her license.

18. RCW 48.17.530(3) provides that the Insurance Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by this chapter and this title against any person who is under investigation for or charged with a violation of this chapter or this title, even if the person's license or registration has been surrendered or has lapsed by operation of law. Although Ms. Scott's license is expired, the Insurance Commissioner may revoke her license under RCW 48.17.530(3) for the violations listed in this Order.

ENTERED at Tumwater, Washington, this 22nd day of June, 2017.



MIKE KREIDLER
Insurance Commissioner

By and through his designee



DARRYL E. COLMAN
Insurance Enforcement Specialist
Legal Affairs Division

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NOTICE OF YOUR RIGHT TO A HEARING

If you are aggrieved by this Order Revoking License, you may demand a hearing in accordance with RCW 48.04.010, WAC 284-02-070, and WAC 10-08-110. Generally a hearing demand must be in writing and received within ninety (90) days after the date of this Order Revoking License, which is the day it was mailed to you, or you will waive your right to a hearing.

If the Insurance Commissioner receives your demand for a hearing before the effective date listed on the order revoking your license, the revocation will be automatically stayed (postponed) and your license will remain in effect pending the hearing.

You may fill out a demand for hearing form online at the following location:
www.insurance.wa.gov/laws-rules/administrative-hearings/how-to-file/

Alternatively, if you choose to file by mail, your demand for hearing must briefly state how you are harmed by this decision and why you disagree with it, along with contact information (phone number, mailing address, e-mail address, etc.) for yourself and any representative that appears on your behalf. The demand may be sent to the following address:

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You will be notified of the time and place of your hearing. If you have questions about filing a demand for hearing or the hearing process, please telephone the Hearings Unit at (360) 725-7002, or send an email to HearingsU@oic.wa.gov.

CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the state of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the state of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing Order Revoking License on the following individual by email and by depositing in the U.S. mail via state Consolidated Mail Service with proper postage affixed:

Stacey Scott
1610 3rd Avenue West
Seattle WA 98119

Stacey Scott
2212 Queen Anne Ave N.
Seattle WA 98109-2312

staceyscott2012@hotmail.com

Courtesy Copy to:

Seth Rosenberg
The Rosenberg Law Group, PLLC
500 Union Street Suite 510
Seattle WA 98101

Dated this 22nd day of June, 2017, in Tumwater, Washington.



JOSH PACE
Legal Assistant
Legal Affairs Division

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