

**WASHINGTON STATE
OFFICE OF ADMINISTRATIVE HEARINGS**

In the matter of:

Edward J. Chadwick & KELT, LLC,

Appellant/Licensees.

Docket No. 03-2019-INS-00048

PREHEARING CONFERENCE ORDER

Agency: Office of the Insurance Commissioner
Program: Insurance Brokers and Producers
Agency Nos. 19-0059 & 19-0060

1. PREHEARING CONFERENCE SUMMARY:

- 1.1 Administrative Law Judge TJ Martin conducted the prehearing conference on Friday, March 29, 2019.
- 1.2 Edward J. Chadwick appeared and represented himself and KELT, LLC ('Appellant'/'Licensee').
- 1.3 Sofia Pasarow, Insurance Enforcement Specialist, appeared and represented the Office of the Insurance Commissioner (OIC').

2. CASE SCHEDULE:

Date and Time	Event
Wednesday, May 22, 2019 by 5:00 p.m.	Final Day for Discovery
Wednesday, May 29, 2019 by 5:00 p.m.	Final day for filing and serving dispositive motions
Wednesday, June 12, 2019 by 5:00 p.m.	Final day for filing and serving responses to the other party's motions
Wednesday, June 19, 2019 by 5:00 p.m.	Final day for filing and serving replies in support of motions
By Tuesday, July 2, 2019 by 5:00 p.m.	Administrative law judge will issue a written decision on any dispositive motions, without oral argument.
Wednesday, July 3, 2019 by 5:00 p.m.	OIC's final day for filing and serving Witness Lists, Exhibit Lists, and marked Exhibits
Wednesday, July 10, 2019 by 5:00 p.m.	Appellant's final day for filing and serving Witness Lists, Exhibit Lists, and marked Exhibits
Wednesday, July 17, 2019 by 5:00 p.m.	Final day for filing and serving hearing briefs
Wednesday, July 24, 2019 to Friday, July 26, 2019, as needed, beginning at 9:00 a.m.	Evidentiary Hearing; see enclosed Notice of Hearing for more information and instructions

3. AGREEMENTS AT THE PREHEARING CONFERENCE: During the prehearing conference, the parties agreed to the following:

3.1 ISSUES, based on:

OIC's 'Order Suspending Licenses Pending Revocation No. 19-0059', dated February 1, 2019-

- 3.1.1 Whether the Appellant, Edward J. Chadwick and KELT, LLC, used fraudulent Lexington Insurance policies in order to secure several premium finance loans and by failing to answer any of the questions asked by Investigations or provide the requested information or documentation to the Insurance Commission, the Licensee violated RCW 48.17.530(1)(d), RCW 48.17.530(1)(g), RCW 48.17.530 (1)(h), RCW 48.17.530 (1)(j), RCW 48.30.190, RCW 48.17.600, WAC 284-12-080, RCW 48.30.090 and RCW 48.17.475
- 3.1.2 If the allegations are proven by the Office of the Insurance Commission, what is the appropriate penalty, up to and including license revocation under RCW 48.17.530(1)(b)?
- 3.1.3 Based on the allegations, whether the Licensee's licenses should be temporarily suspended, pending revocation, under RCW 48.17.540(3)?

OIC's 'Revoking Licenses No. 19-0060', dated February 1, 2019-

- 3.1.4 Whether the Appellant, Edward J. Chadwick and KELT, LLC, used fraudulent Lexington Insurance policies in order to secure several premium finance loans and by failing to answer any of the questions asked by Investigations or provide the requested information or documentation to the Insurance Commission, the Licensee violated RCW 48.17.530(1)(d), RCW 48.17.530(1)(g), RCW 48.17.530 (1)(h), RCW 48.17.530 (1)(j), RCW 48.17.480, RCW 48.30.190, RCW 48.17.600, WAC 284-12-080, RCW 48.30.090 and RCW 48.17.475?
- 3.1.5 If the allegations are proven by the Office of the Insurance Commission, what is the appropriate penalty, up to and including license revocation under RCW 48.17.530(1)(b)?
- 3.1.6 The hearing in this matter will be limited to these issues, unless they are modified at a later prehearing conference.

3.2 CASE SCHEDULE: The Case Schedule in Section 1 governs this case.

[Continued]

4. HEARING PROCEDURES:

4.1 FILING AND SERVING DOCUMENTS

4.1.1 FILING WITH OAH: To 'file' a document, you must provide the original to OAH and a copy to the other party. You can deliver those documents by hand delivery, mail, or fax followed by same-day mailing. Documents filed by fax should not exceed fifteen pages.¹ The date of filing will be the date of receipt by OAH during regular business hours.² Documents may be filed with OAH at the following address:

Office of Administrative Hearings
949 Market Street Suite 500
Tacoma, WA 98402
Phone: (253) 476-6888
Fax: (253) 593-2200

4.1.2 SERVING ON OTHER PARTIES: When you file documents with OAH, you must also serve copies on the other party and the other party's representative, if applicable.³ You can serve those copies by hand delivery, mail, or fax followed by same-day mailing.⁴

4.2 CONTINUANCES: You may request a continuance of any hearing event. If you have good reason for a continuance, file your request before the event. Your request should explain the good reason you are seeking a continuance. If the request is urgent, call (253) 476-6888. You must appear at the hearing event, unless OAH has informed you it has continued the hearing.

4.3 PRESENTING WITNESSES: If you want to present witnesses at the hearing, you must file a witness list. Your witness list must include the following information about each witness: (a) name, (b) role, (c) phone number, (d) address, (e) the testimony you expect the witness to give, and (f) whether your witness will appear in-person or by telephone. Without approval from the ALJ, only witnesses named in a timely filed witness list will be allowed to testify. Find a form attached. **Each party is responsible for ensuring their witnesses called to testify are present for the hearing.**

[Continued]

¹ WAC 10-08-110(1)(b)(iv).

² WAC 10-08-110(1)(a).

³ WAC 10-08-110(2)(a).

⁴ WAC 10-08-110(2)(b).

4.4 PRESENTING EXHIBITS:

4.4.1 Preparing an Exhibit List: Exhibits are documents used as evidence. If you want to introduce exhibits, you must file an exhibit list and a fully marked set of your exhibits. For each exhibit, your list must include: (a) title or description, (b) date, and (c) number of pages. Without approval from the ALJ, only exhibits named in a timely filed exhibit list will be admitted. Find a form attached.

4.4.2 Marking Exhibits: you must mark each page of your exhibits in the lower right hand corner with an exhibit number and a page number. **Office of the Insurance Commissioner** will identify exhibits numerically. **Edward J. Chadwick and KELT, LLC** will identify exhibits alphabetically. For example:

- **Office of the Insurance Commissioner:** Exhibit 1, page 1 of 10
- **Edward J. Chadwick and KELT, LLC:** Exhibit A, page 1 of 10

4.5 CONTACT INFORMATION: If your address or telephone number changes, you must immediately update OAH.

4.6 RIGHT TO REPRESENTATION: You have a right to representation at your own expense. If you plan to seek representation, start looking now. If you delay, your representative may not be available for the hearing.

4.7 DEFAULT: If you do not participate in any stage of the proceedings or if you fail to appear at your hearing, you may be held in default. This means you lose the right to a hearing and your appeal will be dismissed. RCW 34.05.440.

4.8 WEAPONS: Except for law enforcement personnel, no one may bring firearms or other dangerous weapons to an administrative hearing or an OAH facility.⁵

5. ORDER:

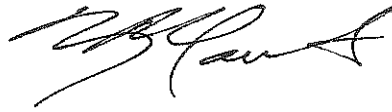
IT IS HEREBY ORDERED:

5.1 This order governs this matter unless modified by the Administrative Law Judge, with notice to both parties.

5.2 Because the undersigned administrative law judge has not made any substantive discretionary ruling, OAH may assign this matter to a different Administrative Law Judge.

⁵ Chapter 10-20 WAC.

ISSUED from Tacoma, Washington, on the date of mailing.



TJ Martin
Administrative Law Judge
Office of Administrative Hearings

Objections: Each party has 10 days to file an objection to this order. If no party timely objects, this order governs this matter as written, unless modified by an Administrative Law Judge.⁶

CERTIFICATE OF SERVICE ATTACHED

⁶ WAC 10-08-130.

EXHIBIT LIST

Case Name: *In the matter of Edward J. Chadwick and KELT, LLC*
Docket No. 03-2019-INS-00048

Party Proposing Exhibits:

Exhibit Number or Letter	Name and Date of Document: Example: Investigation Report, January 12, 2017	Number of Pages	Treatment of Exhibit (FOR ALJ USE ONLY)

WITNESS LIST

Case Name: *In the matter of Edward J. Chadwick and KELT, LLC*
Docket No. 03-2019-INS-00048

Party Proposing Witnesses:

Witness Name	Relationship to Case (Example: Department Investigator)	Telephone Number	Contact Address	Method of Appearance (In-Person/By Phone)
Brief Description of Testimony:				
Brief Description of Testimony:				
Brief Description of Testimony:				
Brief Description of Testimony:				
Brief Description of Testimony:				

CERTIFICATE OF SERVICE FOR OAH DOCKET NO. 03-2019-INS-00048

I certify that true copies of this document were served from Tacoma, Washington via Consolidated Mail Services upon the following as indicated:

<p>Edward J. Chadwick KELT, LLC 406 S 70th Ave Yakima, WA 98908</p> <p>KELT, LLC ATTN: Edward J. Chadwick PO Box 10297 Yakima, WA 98909</p> <p><i>Appellants</i></p>	<p><input checked="" type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail: ed@ectisgroup.net ed@keltinsurance.com</p>
<p>Sofia Pasarow Office of the Insurance Commissioner MS: 40255 Olympia, WA 98504</p> <p><i>Agency Representative</i></p>	<p><input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input checked="" type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail: sofiap@oic.wa.gov</p>
<p>Rebekah Carter Office of the Insurance Commissioner MS: 40255 Olympia, WA 98504</p> <p><i>Agency Contact</i></p>	<p><input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input checked="" type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail: rebekahc@oic.wa.gov</p>

Date: Thursday, April 04, 2019

OFFICE OF ADMINISTRATIVE HEARINGS

Hailey Miles

Hailey Miles
Legal Assistant 3