

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

No. 23A-090-INS

CONSENT ORDER

FRANKLIN, MARCUS JAMES

(National Producer No. 20205267)

Respondent.

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that **Marcus James Franklin (“Respondent”)** violated provisions of Arizona Revised Statutes (“A.R.S.”) Title 20. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent was at all material times licensed as an Arizona resident insurance producer, National Producer Number 20205267, with a line of authority in life insurance. The Department first licensed Respondent on February 11, 2022. Respondent’s license is scheduled to expire on November 30, 2025. At all material times, Respondent was not licensed in Ohio to transact insurance business.

2. Respondent’s addresses of record with the Department are as follows: 8476 W. Thunderbird Road, Suite 102, Phoenix, Arizona, 85051 (business and mailing) and franklin_lakers@yahoo.com (email).

1 3. On or about May 13, 2023, the Department received a case referral from
2 Bankers Life and Casualty Company (“Bankers and Casualty”) alleging that Respondent
3 “submitted numerous unauthorized applications for multiple clients and in some instances
4 used his own bank account information to pay for said policies.”

5 4. The Department commenced an investigation into this matter. The
6 Department’s investigation found the following:

7 a) Respondent issued policies for five (5) different consumers without their
8 consent, two of whom did not reside in Arizona at the time of the policies’
9 inception.

10 b) For consumers D.F. and T.F., Respondent’s parents, Respondent issued fifteen
11 (15) policies. D.F. and T.F. initially claimed they did not authorize these
12 policies, though later changed their position. At the time the policies were
13 issued, Respondent’s parents lived in Ohio and Respondent is not an insurance
14 licensed producer in Ohio. The premium payment for one of the policies was
15 set up to be drafted from Respondent’s personal Dollar Bank account, while
16 the premium payments for the rest of the policies were set to be drafted from
17 another account belonging to Respondent with Chase Bank. Respondent also
18 deposited his commission payments to the same Chase Bank account.

19 c) For consumer A.M. Respondent issued four (4) policies that were not
20 authorized by A.M. The initial premium payments for all four (4) policies
21 were returned as unpaid. Respondent subsequently canceled these policies.

22 d) For consumer V.J. Respondent issued four (4) policies that were not

1 authorized by A.M. Respondent listed his personal Chase Bank account as the
2 payment method for these policies. The initial premium payments for three
3 (3) policies were returned as unpaid. The premium payments for one (1) of
4 the policies were paid through April 2023 from Respondent's Chase Bank
5 account.

6 e) For consumer E.M. Respondent issued two (2) unauthorized policies.
7 Premium payments for both policies were set up to be drafted from
8 Respondent's Chase Bank account. One (1) of the policies was declined due
9 to "max coverage," and for the other policy, the initial premium payment was
10 drafted from Respondent's bank account prior to the Premium Payment
11 Service Plan being removed by Respondent.

12 f) On or about October 6, 2023, the Department conducted a virtual Examination
13 Under Oath ("EUO") of Respondent. During the EUO, Respondent
14 maintained that all of the consumers consented to issuing the policies and that
15 he paid their premium payments to assist with their "financial struggles." He
16 further stated that he paid the premium payment(s) only for the consumers
17 who assured him they would be able to "pay him back" and the payment
18 arrangement would only last a month. Regarding his compensation agreement
19 with Bankers and Casualty, Respondent stated that his compensation was
20 entirely based on commissions which were paid residually monthly for the life
21 of a policy, with the exception of a "signing bonus" for all issued policies
22 consisting of 55% of the amount of commission that would be collected for

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

the first full policy term (usually twelve months).

- g) On or about October 12, 2023, Bankers and Casualty sent the initial request to Respondent for repayment of the commission paid for unauthorized policies. As of the date of this Order, Respondent failed to refund the commission payments to Bankers and Casualty.

CONCLUSIONS OF LAW

6. The Director has jurisdiction over this matter.

7. Respondent’s conduct, as described above, constitutes a violation of Title 20 or any rule, subpoena or order of the Director. A.R.S. § 20-295(A)(2).

8. Respondent’s conduct, as described above, constitutes using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere. A.R.S. § 20-295(A)(8).

9. Grounds exist for the Director to suspend, revoke or refuse to renew Respondent’s insurance producer license. A.R.S. § 20-295(A)(2) and (A)(8).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

ORDER

IT IS HEREBY ORDERED THAT:

10. Marcus James Franklin's Arizona insurance producer license, National
Producer Number 20205267, is revoked, effective immediately.

Effective this 5th day of April, 2024.

Barbara D. Richardson

Barbara D. Richardson
Cabinet Executive Officer
Executive Deputy Director
Arizona Department of Insurance and Financial Institutions

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

CONSENT TO ORDER

1. Respondent acknowledges that it has been served with a copy of the foregoing Consent Order in the above-referenced matter, has read it, is aware of its right to an administrative hearing in this matter and has knowingly and voluntarily waived that right.

2. Respondent accepts the personal and subject matter jurisdiction of the Department over it in this matter.

3. Respondent acknowledges that no promise of any kind or nature has been made to induce it to sign the Consent to Order and it has done so knowingly and voluntarily.

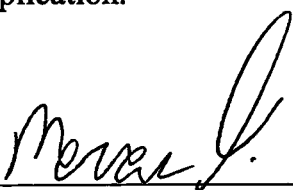
4. Respondent acknowledges and agrees that the acceptance of this Consent to Order by the Director is solely to settle this matter and does not preclude the Department from instituting other proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any language in this Consent Order, this Consent Order does not preclude in any way any other state agency or officer or political subdivision of this state from instituting proceedings, investigating claims, or taking legal action as may be appropriate now or in the future relating to this matter or other matters concerning Respondent, including but not limited to violations of Arizona’s Consumer Fraud Act. Respondent acknowledges that, other than with respect to the Department, this Consent Order makes no representations, implied or otherwise, about the views or intended actions of any other state agency or officer or political subdivision of the state relating to this matter or other matters concerning Respondent.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

5. Respondent waives all rights to seek an administrative or judicial review or otherwise to challenge or contest the validity of this Consent Order and its accompanying parts before any court of competent jurisdiction.

6. Respondent acknowledges that this Consent Order is an administrative action that the Department will report to the National Association of Insurance Commissioners (NAIC). Respondent further acknowledges that it must report this administrative action to any and all states in which Respondent holds an insurance license and must disclose this administrative action on any license application.

4/4/21
DATE



MARCUS JAMES FRANKLIN
(NATIONAL PRODUCER NO. 20205267)

1 **COPY** of the foregoing delivered via email
this 5th day of April, 2024, to:

2 Marcus James Franklin
3 8476 W. Thunderbird Rd. Suite 102
4 Glendale, AZ 85308-1743
5 franklin_lakers@yahoo.com
6 Franklin4NUPE@gmail.com
7 Respondent

8 **COPY** of the foregoing delivered/mailed same date, to:

9 Deian Ousounov, Chief Financial Deputy Director
10 Alena Caravetta, Regulatory Legal Affairs Officer
11 Ana Starcevic, Paralegal Project Specialist
12 Catherine O'Neil, Consumer Regulatory Affairs Officer
13 Steven Fromholtz, Division Manager, Licensing
14 Linda Lutz, Legal Assistant, Licensing
15 Aqueelah Currie, Licensing Supervisor
16 Rachel Smith, Investigator
17 Arizona Department of Insurance and Financial Institutions
18 100 North 15th Avenue, Suite 261
19 Phoenix, Arizona 85007-2630

20 *Ana Starcevic*
21 _____
22