

OCT 15 1987

DEPARTMENT OF INSURANCE

By *Amb*

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

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In the Matter of	)	
KENNETH J. BAYLY,	)	Docket No. <u>6585</u>
License No. 0007585,	)	
	)	CONSENT ORDER
Respondent.	)	
_____	)	

The State of Arizona Department of Insurance has conducted an investigation into the activities of KENNETH J. BAYLY, as a licensed insurance agent. The investigation was with respect to complaints received from Philip W. Hanson, Manager, MONY Financial Services, The Mutual Life Insurance Company of New York regarding insureds Richard E. Beardsley, Fred Abril, Robert V. Rodriguez and Teresa Lynn Paige.

To resolve the complaints pending before the Arizona Department of Insurance with respect to the investigation concerning the aforementioned complaints, Respondent, KENNETH J. BAYLY desires to voluntarily surrender his license and to enter into a consent order.

FINDINGS OF FACT

- Respondent is a resident of Arizona and is licensed by the Arizona Department of Insurance as a resident agent.
- On August 7, 1985, the Respondent prepared and sent to Mutual Life Insurance Company of New York Service Request Form 4979, requesting that the cash value from Life



1 Policy No. 1132-12-20 issued to Richard E. Beardsley be applied  
2 to pay the balance of an annual premium on Policy No.  
3 1148-95-43. Both policies were to have been cancelled upon  
4 issuance of Policy No. 1168-67-46 for which application was  
5 made on July 25, 1985. Richard E. Beardsley states in his  
6 January 26, 1986 Affidavit that the signature on the Service  
7 Request Form 4979, purported to be his, is a forgery.

8 3. On August 7, 1985, the Respondent prepared and  
9 sent to Mutual Life Insurance Company of New York Service  
10 Request Form 4979, requesting a loan on Life Policy No.  
11 1100-84-35 issued to Teresa Lynn Paige to pay the balance of  
12 the annual premium upon issuance of Policy No. 1171-05-63.  
13 Teresa Lynn Paige states in her January 14, 1986 Affidavit that  
14 the signature on the Service Request Form 4979, purported to be  
15 hers, is a forgery.

16 4. On August 8, 1985, the Respondent prepared and  
17 sent to Mutual Life Insurance Company of New York Service  
18 Request Form 4979, requesting a loan on Policy No. 1080-67-26  
19 issued to Fred Abril to pay the balance of the annual premium.  
20 Fred Abril states in his August 8, 1985 Affidavit that the  
21 signature on the Service Request Form 4979, purported to be  
22 his, is a forgery.

23 5. On August 12, 1985, the Respondent prepared and  
24 sent to Mutual Life Insurance Company of New York Service  
25 Request Form 4979, requesting a loan on Policy Nos. 1117-02-30  
26 and 1080-67-31 issued to Robert V. Rodriguez to pay policy

1 premiums. Both policies in addition to Policy No. 1162-43-96  
2 were to have been cancelled upon issuance of Policy No.  
3 1171-51-32. Robert V. Rodriguez states in his January 14, 1986  
4 Affidavit that the signature on the Service Request Form 4979,  
5 purported to be his, is a forgery.

6 CONCLUSIONS OF LAW

7 1. Respondent KENNETH J. BAYLY, is in violation of  
8 A.R.S. 20.316.A.7 (conduct of affairs under the license showing  
9 the licensee to be incompetent or a source of injury and loss  
10 to, or repeated complaint by, the public or any insurer).

11 2. Grounds exist for the Director to suspend, revoke,  
12 or refuse to renew Respondent's license or to order Respondent  
13 to pay a monetary forfeiture or both, pursuant to A.R.S.  
14 20-316.C.

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O R D E R

IT IS HEREBY ORDERED, Respondent's insurance license  
is revoked effective

DATED this 15th day of October, 1987.



Director of Insurance

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CONSENT TO ORDER

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2           1. Respondent, KENNETH J. BAYLY, has reviewed the  
3 foregoing Findings of Fact, Conclusions of Law and Order.

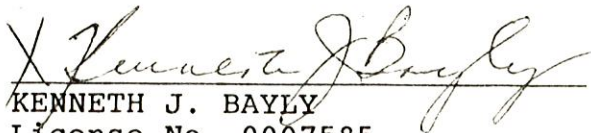
4           2. Respondent, KENNETH J. BAYLY, is aware of his  
5 right to a hearing at which hearing Respondent may be  
6 represented by counsel, present evidence and cross-examine  
7 witnesses. Respondent hereby waives his right to such public  
8 hearing.

9           3. Respondent, KENNETH J. BAYLY, admits the  
10 jurisdiction of the State of Arizona Department of Insurance,  
11 consents to the entry of this Order, and admits the foregoing  
12 Findings of Fact and Conclusions of Law.

13           4. Respondent, KENNETH J. BAYLY, states that no  
14 promise of any kind or nature whatsoever was made to him to  
15 induce him to enter into this Order and that he has entered  
16 into this Order voluntarily.

17           5. Respondent, KENNETH J. BAYLY, acknowledges that  
18 the acceptance of this Order by the Arizona Department of  
19 Insurance is solely for the purpose of settling this litigation  
20 against him and does not preclude any other agency or officer  
21 of this state or subdivision thereof from instituting other  
22 civil or criminal proceedings as may be appropriate now or in  
23 the future.

24  
25 DATE: Sept 28, 1987

X   
KENNETH J. BAYLY  
License No. 0007585



STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

Date: Sept 28, 1987

I hereby acknowledge receipt of a copy of a "Consent to Order" dated 28 Sept 87, the original of which I have signed. I also acknowledge receipt of an unsigned copy of a "Consent Order" which outlines findings of fact and conclusions of law concerning my violation of the insurance code.

I understand that the "Consent Order" is not binding on the Director of Insurance and will not be effective until accepted and signed by the Director.

No promises of any kind or nature whatsoever have been made to me as an individual to consent to this order.

I enter this agreement voluntarily without any threats, coercion or intimidation.

I have been advised of my rights to a hearing, to be represented by counsel, present evidence and cross-examine witnesses.

I freely and without reservation waive these rights.

X Fennete J. Bayly

Witness my hand and seal  
this 28 day of Sept, 1987

STATE OF ARIZONA

COUNTY OF PIMA

The foregoing instrument was acknowledged  
before me this 28 day of Sept 1987

By KENNETH S. BAYLY

Notary Public Constance Frederick

1 COPY of the foregoing mailed this  
2 15th day of October, 1987, to:

3 Bob Zielinski, Assistant Director  
4 Mary Butterfield, Supervisor  
5 Maureen Catalioti, Supervisor  
6 Deloris Williamson, Supervisor  
7 Department of Insurance  
8 801 E. Jefferson  
9 Pheonix, Arizona 85034

10 John F. Kelly, Esq.  
11 Assistant Attorney General  
12 402 W. Congress Street West  
13 Tucson, Arizona 85701

14 Hayden Richards, Investigator  
15 Department of Insurance  
16 402 W. Congress Street  
17 Tucson, Arizona 85701

18 Kenneth J. Bayly  
19 5800 North Wilshire Drive  
20 Tucson, Arizona 85711

21 MONY Financial Services  
22 2801 E. Camelback Road  
23 P.O. Box 10476  
24 Phoenix, Arizona 85064

25 *Lori M. Barker*  
26 

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Lori M. Barker

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