

JUN 22 2010

DEPT OF INSURANCE  
BY 

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

In the Matter of:

**HARPER, JEFFRIE BLAINE,**  
(Arizona License No. 32160)  
(National Producer No. 6735006)

Respondent.

**No. 10A-029-INS**

**ORDER**

On June 18, 2010, the Office of Administrative Hearings, through Administrative Law Judge ("ALJ") Lewis Kowal, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Director of the Department of Insurance ("Director") on June 18, 2010, a copy of which is attached and incorporated by this reference. The Director of the Department of Insurance has reviewed the Recommended Decision and enters the following Order:

1. The Director adopts the Recommended Findings of Fact and Conclusions of Law.
2. The Director revokes Respondent's Arizona License No. 32160, effective immediately.

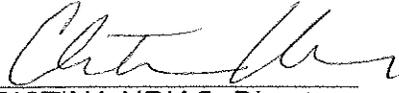
**NOTIFICATION OF RIGHTS**

Pursuant to Arizona Revised Statutes ("A.R.S.") § 41-1092.09, Petitioner may request a rehearing with respect to this order by filing a written motion with the Director of the Department of Insurance within 30 days of the date of this Order, setting forth the basis for relief under A.A.C. R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to Superior Court.

Petitioner may appeal the final decision of the Director to the Superior Court of Maricopa County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal

1 must notify the Office of Administrative Hearings of the appeal within ten days after filing  
2 the complaint commencing the appeal, pursuant to A.R.S. § 12-904(B).

3 DATED this 21<sup>st</sup> day of June, 2010.

4  
5   
6 CHRISTINA URIAS, Director  
Arizona Department of Insurance

7  
8 COPY of the foregoing mailed this  
22nd day of June, 2010 to:

9 Mary Kosinski, Executive Assistant for Regulatory Affairs  
10 Mary Butterfield, Assistant Director  
11 Catherine O'Neil, Consumer Legal Affairs Officer  
12 Steven Fromholtz, Licensing Director  
Arizona Department of Insurance  
2910 North 44th Street, Suite 210  
Phoenix, Arizona 85018

13 Lynette Evans  
14 Assistant Attorney General  
1275 West Washington Street  
Phoenix, Arizona 85007-2926

15 Jeffrie Blaine Harper  
16 4145 E Page Avenue  
17 Gilbert, AZ 85234  
Respondent

18 Office of Administrative Hearings  
19 1400 West Washington, Suite 101  
Phoenix, Arizona 85007

20   
21 Curvey Burton

JUN 18 2010

DIRECTOR'S OFFICE  
INSURANCE DEPT.

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of:

No. 10A-029-INS

JEFFRIE BLAINE HARPER  
(Arizona License #32160)  
(National Producer # 6735006)

ADMINISTRATIVE  
LAW JUDGE DECISION

Respondent.

**HEARING:** June 1, 2010

**APPEARANCES:** Assistant Attorney General Lynette Evans for the Arizona Department of Insurance; Jeffrie Blaine Harper did not appear at the hearing.

**ADMINISTRATIVE LAW JUDGE:** Lewis D. Kowal

**FINDINGS OF FACT**

1. Jeffrie Blaine Harper ("Mr. Harper") is, and was at all times material to this matter, licensed as a resident accident/health, life, casualty and property producer in the State of Arizona, Arizona license number 32160 ("License"). The License expires on January 31, 2013.
2. On August 20, 2009, the Maricopa County Superior Court entered an order in *State of Arizona v. Jeffrie Blaine Harper*, Case No. CR2009-006261-001-DT, convicting Mr. Harper of Attempted Fraudulent Scheme or Artifice, a class 3 felony. The underlying activities of the criminal action were the same as those set forth below in an administrative action taken by the Arizona Corporation Commission ("ACC").
3. In Case No. CR2009-006261-001-DT, the Court placed Mr. Harper on five years probation, which was to commence on August 20, 2009. The Court ordered Mr. Harper to pay a probation service fee of \$65.00 per month. The Court also ordered Mr. Harper and a co-defendant to jointly pay restitution in the amount of \$179,000.00.

1 4. Steven Fromholtz ("Mr. Fromholtz"), Producer Licensing Administrator with the  
2 Arizona Department of Insurance ("Department"), testified that Mr. Harper did not report  
3 the above-mentioned criminal action to the Department.

4 5. On January 15, 2009 the Arizona Corporation Commission ("ACC") entered a  
5 Notice of Opportunity for Hearing Regarding proposed Order to Cease and Desist,  
6 Order for Restitution, for Administrative Penalties and of Other Affirmative Action in *In*  
7 *the Matter of Jeffrie Harper (Central Registration Depository of the Financial Industry*  
8 *Regulatory Authority, Inc. #2863910)(a/k/a/ Jeff Harper) and Kathleen Janice Harper,*  
9 husband and wife, et al., Docket No. S-20649A-09-0013. In that matter, the ACC  
10 alleged that Respondents (including Mr. Harper) had engaged in acts, practices and  
11 transactions violating the Securities Act of Arizona.

12 6. On August 20, 2009, the ACC entered an Order to Cease and Desist, Order for  
13 Restitution, Order for Administrative Penalties and Consent to Same in the above-  
14 entitled ACC matter. By such Order, Respondents (including Mr. Harper) were to  
15 cease and desist from all activities violating the Securities Act of Arizona, comply with  
16 Consent to Entry of Order, pay a \$50,000.00 administrative penalty and to jointly pay  
17 restitution in the amount of \$179,000.00.

18 7. Mr. Fromholtz testified that Mr. Harper did not report the above-mentioned ACC  
19 Order to the Department.

20 8. Mr. Fromholtz testified that the Department became aware of the above-  
21 mentioned criminal and administrative actions as a result of having been contacted by  
22 the ACC and provided with documents pertaining to those matters.

#### 23 CONCLUSIONS OF LAW

24 1. Because this matter is disciplinary in nature, the Department has the burden of  
25 proof. The standard of proof on all issues is preponderance of the evidence. See  
26 A.A.C. R2-19-119.

27 2. A preponderance of the evidence is "such proof as convinces the trier of fact that  
28 the contention is more probably true than not." Morris K. Udall, ARIZONA LAW OF  
29 EVIDENCE § 5 (1960). It is "evidence which is of greater weight or more convincing than  
30 the evidence which is offered in opposition to it; that is, evidence which as a whole

1 shows that the fact sought to be proved is more probable than not." BLACK'S LAW  
2 DICTIONARY 1182 (6<sup>th</sup> ed. 1990).

3 3. Mr. Harris's conduct, as set forth above, constitutes the failure to report to the  
4 Director of the Department any criminal prosecution against Mr. Harper taken in any  
5 jurisdiction to the within 30 days after the initial pretrial hearing date, in violation of  
6 A.R.S. § 20-301(B).

7 4. Mr. Harris's conduct, as set forth above, constitutes the failure to report to the  
8 Director of the Department any administrative action taken against him by another  
9 governmental entity in this state within 30 days after final disposition of the matter, in  
10 violation of A.R.S. § 20-301(A).

11 5. Mr. Harper has been convicted of a felony within the meaning of A.R.S. § 20-  
12 295(A)(6).

13 6. Mr. Harper's conduct constitutes violations of the provisions of Arizona Revised  
14 Statutes, Title 20 within the meaning of A.R.S. § 20-295(A)(2).

15 7. Based on the above, grounds exist for the Director of the Department to  
16 suspend, revoke, or refuse to renew the License pursuant to A.R.S. § 20-295(A).

17 **ORDER**

18 On the effective date of the Order entered in this matter, the License shall be  
19 revoked.

20 Done this day, June 18, 2010.

21  
22 /s/ Lewis D. Kowal  
23 Administrative Law Judge  
24

25 Transmitted electronically to:

26  
27 Christina Urias, Director  
28 Department of Insurance  
29  
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