

AUG 10 2010

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY 

In the Matter of:)
)
 MONTELEONE, GENE RAYMOND)
 (Arizona License # 798578))
 (National Producer # 64705))
)
 Respondent.)
)
)

No. 10A-065- INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that **Gene Raymond Monteleone** ("Respondent") violated provisions of Title 20, Arizona Revised Statutes ("A.R.S."). Respondent wishes to resolve this matter without the commencement of formal proceedings, admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Gene Raymond Monteleone ("Monteleone") is, and was at all material times, licensed by the Department as an Arizona resident casualty, accident/health, life, and property producer, Arizona license number 798578.

2. Monteleone's address of record with the Department is: 16710 E. Oxford Drive, Fountain Hills, AZ 85268.

3. On or about May, 2004, the United States District Court filed an indictment naming Monteleone as a defendant in *United States of America v. Monteleone*, United States District Court, District of Arizona, Case No. CR-04-0539-PHX-MHM ("2004 criminal case").

4. On or about January 26, 2006, Monteleone submitted an Insurance License Renewal application ("2006 application") to the Department.

...

1 5. Monteleone answered "no" to Part II, Questions E(5) and (6) of the 2006
2 application, which asked, "Are any civil, administrative, judicial or quasi-judicial proceedings of
3 any kind, including any criminal proceedings, in which an indictment, criminal complaint or
4 information has been issued naming you as a defendant, currently pending against you in any
5 jurisdiction based on any of the following:... 5. Using fraudulent, coercive or dishonest practices
6 in the conduct of business?; 6. Demonstrating incompetence, untrustworthiness or financial
7 irresponsibility in the conduct of business."

8 6. On or about January 31, 2008, *United States of America v. Monteleone*, United
9 States District Court, District of Arizona, Case No. CR-04-0539-PHX-MHM, the Court issued a
10 Judgment In A Criminal Case ("Judgment") adjudicating that Monteleone was guilty of
11 conspiracy, a Class D felony.

12 7. On or about February 18, 2010, Monteleone submitted his Insurance License
13 Renewal application ("application) to the Department ("2010 application").

14 8. Monteleone answered "yes" to Part II, Question C1 of the 2010 application, which
15 asked, "Have you ever been convicted or found guilty of, have you had a judgment made
16 against you for, or have you admitted to any of the following that has not been previously
17 disclosed in a written format by you to this agency... 1. A felony (of any kind)?" Monteleone
18 attached an explanation of the felony conviction to his application.

19 **CONCLUSIONS OF LAW**

20 1. The Director has jurisdiction over this matter.

21 2. Respondent's conduct, as alleged above, constitutes providing incorrect,
22 misleading, incomplete or materially untrue information in the license application, within the
23 meaning of A.R.S. § 20-295(A)(1).

24 ...
...

1 3. Respondent's conduct, as alleged above, constitutes failure to report to the
2 director any criminal prosecution of the producer taken in any jurisdiction within 30 days after
3 the initial pretrial hearing date, within the meaning of A.R.S. § 20-301(B).

4 4. Respondent's conduct, as alleged above, constitutes a violation of Title 20, within
5 the meaning of A.R.S. § 20-295(A)(2).

6 5. Respondent's conduct, as alleged above, constitutes having been convicted of a
7 felony, within the meaning of A.R.S. § 20-295(A)(6).

8 6. Grounds exist for the Director to suspend, revoke, or refuse to renew
9 Respondent's insurance license, impose a civil penalty and/or order restitution pursuant to
10 A.R.S. §§20-295(A) and (F).

10 **ORDER**

11 IT IS HEREBY ORDERED THAT

12 1. Respondent shall immediately pay a civil penalty in the amount of \$500.00 for
13 deposit into the State General Fund.

14 2. Respondent's Arizona license, number 798578, is renewed on the filing date of
15 this order.

16 3. Respondent's Arizona license, number 798578, is suspended for a period of six
17 months beginning on the filing date of this order.

18 4. The hearing, Docket #10A-065-INS, scheduled for August 19, 2010, at 1:00 p.m.
19 is vacated.

20 DATED AND EFFECTIVE this 9th day of August, 2010.

21 

22 _____
23 CHRISTINA URIAS
24 Director of Insurance

1 **CONSENT TO ORDER**

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

4 2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona,
5 and admits the foregoing Findings of Fact and consents to the entry of the foregoing
6 Conclusions of Law and Order.

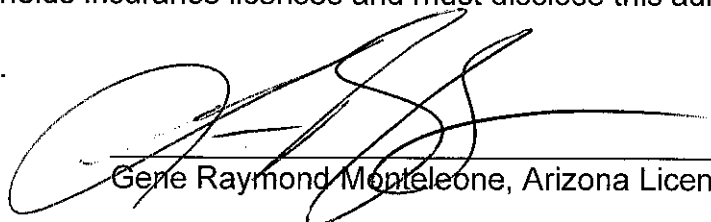
7 3. Respondent is aware of his right to notice and hearing at which he may be
8 represented by counsel, present evidence and examine witnesses. Respondent irrevocably
9 waives his rights to such notice and hearing and to any court appeals relating to this Consent
10 Order.

11 4. Respondent states that no promises of any kind or nature whatsoever, except as
12 expressly contained in this Consent Order, was made to him to induce him to enter into this
13 Consent Order and that he has entered into this Consent Order voluntarily.

14 5. Respondent acknowledges that the acceptance of this Consent Order by the
15 Director is solely to settle this matter against him and does not preclude any other agency,
16 including the Department, officer, or subdivision of this state or this agency from instituting civil
17 or criminal proceedings as may be appropriate now or in the future.

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

23 8/6/10
Date


Gene Raymond Monteleone, Arizona License #798578

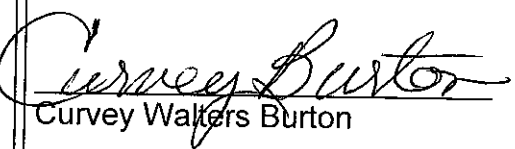
1 COPIES of the foregoing mailed/delivered
this 10th day of August, 2010, to:

2 Gene Raymond Monteleone
3 16710 E. Oxford Drive
4 Fountain Hills, Arizona 85268
Respondent

5 Mary Kosinski, Executive Assistant for Regulatory Affairs
6 Catherine M. O'Neil, Consumer Legal Affairs Officer
7 Steve Fromholtz, Licensing Supervisor
8 Department of Insurance
9 2910 North 44th Street, Suite 210
10 Phoenix, Arizona 85018

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12 Assistant Attorney General
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16 Lewis Kowal, Administrative Law Judge
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Curvey Walters Burton