

MAR 13 2012

DEPT OF INSURANCE
BY 

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

In the Matter of:)
)
FREEWAY INSURANCE SERVICES OF)
ARIZONA, INC.,)
 (Arizona License Number 944864))
FEJERAN, RODNEY CASTRO,)
 (Arizona License Number 1011701))
 (National Producer Number 2663810))
 and **ONG, GERALD JOEL**)
 (Arizona License Number 983751))
 (National Producer Number 8972868))
)
 Respondents.)
)
)

No. 12A-035 INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that **Freeway Insurance Services of Arizona, Inc., Rodney Castro Fejeran and Gerald Joel Ong (collectively "Respondents")** violated provisions of Title 20, Arizona Revised Statutes. Respondents wish to resolve this matter without the commencement of formal proceedings, and admit the following Findings of Fact are true and consent to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Freeway Insurance Services of Arizona, Inc. ("Freeway") is an Arizona corporation (incorporated on April 29, 2009) which is and was, at all material times, an Arizona resident property and casualty insurance producer, Arizona license number 944864, which expires on June 30, 2013.

2. Freeway's addresses of record are: 1140 S. Country Club Drive, #111A, Mesa, Arizona 85210 (business) and P.O. Box 669, Cypress, California 90630 (mailing).

1 **COMPLAINT**

2 10. On or about August 3, 2011, the Department received a complaint from Karen
3 McHaffie alleging that Freeway's agents quoted her a premium for automobile liability
4 insurance which also included a hidden fee for Accidental Death and Dismemberment
5 ("AD&D") coverage without her knowledge or consent and later represented it to her as free
6 life insurance which was a part of her package with Freeway.

7 **INVESTIGATION**

8 11. On January 26, 2012, a Department investigator conducted an undercover
9 purchase from Fejeran.

10 12. During the application process Fejeran quoted the premium for automobile
11 liability coverage. Fejeran represented the premium to be for liability insurance coverage only.
12 After further inquiry by the investigator, Fejeran explained that the original quote was not only
13 for liability insurance as he had previously represented but also included a separate premium
14 for optional AD&D coverage.

15 13. During the January 26, 2012 visit to Freeway's office, the Department's
16 investigator witnessed three individuals he believed were selling, soliciting or negotiating
17 insurance, and later confirmed those individuals were not licensed as insurance producers
18 in Arizona.

19 **CONCLUSIONS OF LAW**

- 20 1. The Director has jurisdiction over this matter.
- 21 2. Fejeran's conduct, as described above, constitutes selling, soliciting or
22 negotiating insurance in this state for any class or classes of insurance without a license,
23 within the meaning of A.R.S. § 20-282.

1 3. Respondents are aware of their right to notice and a hearing at which they may
2 be represented by counsel, present evidence and examine witnesses. Respondents
3 irrevocably waive their right to such notice and hearing and to any court of appeals relating to
4 this Consent Order.

5 4. Respondents state that no promise of any kind or nature whatsoever, except as
6 expressly contained in this Consent Order, was made to them to induce them to enter into this
7 Consent Order and that they have entered into this Consent Order voluntarily.

8 5. Respondents acknowledge that the acceptance of this Consent Order by the
9 Director is solely to settle this matter against them and does not preclude any other agency,
10 officer, or subdivision of this state including the Department from instituting civil or criminal
11 proceedings as may be appropriate now or in the future.

12 6. Respondents acknowledge that this Consent Order is an administrative action
13 that the Department will report to the National Association of Insurance Commissioners (NAIC)
14 and that they may have to report this administrative action on any future licensing applications
15 either to the Department or other states' Departments of Insurance.

16 7. John Iacono represents that he is the Secretary of Freeway Insurance Services
17 of Arizona, Inc. and as such is authorized to enter into this Consent Order on its behalf.

Freeway Insurance Services of Arizona, Inc. License # 944864

18 3/9/12
19 _____
Date

John Iacono, Secretary

21 _____
Date

Rodney Castro Fejeran, License # 1011701

23 _____
Date

Gerald Joel Ong, License # 983751

1 COPIES of the foregoing mailed/delivered
this 13th day of March, 2012, to:

2
3 Freeway Insurance Services of Arizona, Inc.
4 P.O. Box 669
5 Cypress, CA 90630
6 *(Respondent)*

7 Tasha Cycholl Smith
8 Kutak Rock LLP
9 8601 North Scottsdale Road, Suite 300
10 Scottsdale, AZ 85253
11 *(Attorney for Respondents)*

12
13 Mary Kosinski, Executive Assistant for Regulatory Affairs
14 Catherine M. O'Neil, Consumer Legal Affairs Officer
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Curvey Waters Burton