

STATE OF ARIZONA
FILED

JUN 18 2015

DEPT OF INSURANCE
BY MS

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:

ADAMS, DOUGLAS BRUCE
(Arizona License No. 94384)
(National Producer No. 37646)

No. 15A-011-INS

ORDER

Respondent.

On June 17, 2015, the Office of Administrative Hearings, through Administrative Law Judge Tammy L. Eigenheer, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Director of the Department of Insurance ("Director") on June 17, 2015, 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 the Arizona non-resident insurance producer license, No. 94384, of **Douglas Bruce Adams** effective immediately.

NOTIFICATION OF RIGHTS

Pursuant to Arizona Revised Statutes ("A.R.S.") § 41-1092.09, Respondent may request a rehearing with respect to this order by filling 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.

1 Respondent may appeal the final decision of the Director to the Superior Court of
2 Maricopa County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal
3 must notify the Office of Administrative Hearings of the appeal within ten days after filing
4 the complaint commencing the appeal, pursuant to A.R.S. § 12-904(B).

5 DATED this 18th day of June, 2015.

6
7 
8 GERMAINE L. MARKS, Director
Arizona Department of Insurance

9 COPY of the foregoing mailed this
10 18th day of June, 2015 to:

11 Douglas Bruce Adams
12 6992 Rainbow Dr., SE
13 Salem, OR 97306
Respondent

14 Douglas Bruce Adams
15 P.O. Box 13981
16 Salem, OR 97309
Respondent

17 Douglas Bruce Adams
18 19428 W. Corto Lane
Buckeye, AZ 85326-4242
Respondent

19 Mary Kosinski, Executive Assistant for Regulatory Affairs
20 Darren Ellingson, Deputy Director
21 Catherine O'Neil, Consumer Legal Affairs Officer
22 Yvonne Hunter, Consumer Affairs Assistant Director
23 Steven Fromholtz, Licensing Director
Barbara Beltran, Business Office
Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

24 Liane Kido
25 Assistant Attorney General
1275 West Washington Street
Phoenix, Arizona 85007-2926
26

1 Office of Administrative Hearings
1400 West Washington, Suite 101
2 Phoenix, Arizona 85007

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4 *Maidene Scheiner*
Maidene Scheiner

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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

RECEIVED

JUN 17 2015

AZ DEPT. OF INSURANCE
ADMINISTRATIVE SERVICES

In the Matter of:

No. 15A-011-INS

ADAMS, DOUGLAS BRUCE
(Arizona License Number 94384)
(National Producer Number 37646)

ADMINISTRATIVE
LAW JUDGE DECISION

Respondent.

HEARING: May 28, 2015

APPEARANCES: Respondent did not appear. The Arizona Department of Insurance was represented by Assistant Attorney General Liane C. Kido.

ADMINISTRATIVE LAW JUDGE: Tammy L. Eigenheer

The issue in this matter is whether Respondent Douglas Bruce Adams's non-resident insurance producer's license should be disciplined. Based on the evidence presented by the Department of Insurance (Department) and Respondent's failure to appear for the duly noticed administrative hearing, the Administrative Law Judge recommends that the Director of the Department revoke Respondent's license for the reasons set forth in the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. Respondent was issued non-resident Accident/Health and Life Insurance Producer's License No. 94384 on June 7, 2000. This license was due to expire on September 30, 2017.

2. Respondent's addresses of record with the Department were: 6992 Rainbow Drive, SE, Salem, Oregon 97306 (business) and P.O. Box 13981, Salem, Oregon 97309 (mailing).

3. On or about July 11, 2013, the Superior Court of Arizona, Maricopa County conducted an Initial Pretrial Conference in the case State of Arizona v. Douglas Bruce Adams, CR2012-009454.

4. On or about October 3, 2014, the Court convicted Respondent of theft, a class 6 undesignated felony, and fraud, a class 6 undesignated felony. The Court

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1400 West Washington, Suite 101
Phoenix, Arizona 85007
(602) 542-9826

1 sentenced Respondent to three years' probation, ordered restitution of \$318,369.00,
2 and ordered incarceration for 12 months to begin on April 1, 2015.

3 5. Respondent did not notify the Department of the criminal prosecution
4 within 30 days of the Initial Pretrial Conference.

5 6. On or about December 5, 2014, the State of Oregon, Department of
6 Consumer and Business Services, Insurance Division entered a Final Order in the
7 Matter of Douglas B. Adams and Adams International Marketing, Inc., Case No. INS 14-
8 10-004 ("Oregon Order").

9 7. The Oregon Order revoked Adams' Oregon resident individual insurance
10 producer license.

11 8. Respondent did not notify the Department of the administrative action
12 within 30 days of the action being taking in Oregon.

13 9. On April 10, 2015, the Department issued a Notice of Hearing and
14 Complaint on its intent to penalize Respondent's non-resident insurance producer's
15 license under A.R.S. § 20-287(A)(1), A.R.S. § 20-295(A)(2), A.R.S. § 20-295(A)(6),
16 A.R.S. § 20-295(A)(8), A.R.S. § 20-301(A), and A.R.S. § 20-301(B).

17 10. The Department mailed the Notice of Hearing to Respondent at his
18 business and mailing addresses of record. The Department also sent a copy to
19 Respondent's Arizona address.

20 11. Although the beginning of the duly noticed hearing was delayed 20
21 minutes to allow Respondent additional travel time, he did not appear personally or
22 through a duly authorized representative, contact the Office of Administrative Hearings
23 to request a continuance or that the time for the hearing be further delayed, or present
24 any evidence at the hearing to defend his non-resident insurance producer's license.

25 12. The Department appeared through its attorney and presented the
26 testimony of Steve Fromholtz.

27 **CONCLUSIONS OF LAW**

28 1. This matter lies within the jurisdiction of the Department. See A.R.S. §§
29 20-281 to 302.

1 2. The Department bears the burden of proof and must establish cause to
2 revoke or otherwise penalize Respondent's non-resident insurance producer's license
3 by a preponderance of the evidence. See A.R.S. § 41-1092.07(G)(2); A.A.C. R2-19-
4 119; see also *Vazanno v. Superior Court*, 74 Ariz. 369, 372, 249 P.2d 837 (1952).

5 3. "A preponderance of the evidence is such proof as convinces the trier of
6 fact that the contention is more probably true than not." MORRIS K. UDALL, ARIZONA LAW
7 OF EVIDENCE § 5 (1960). A preponderance of the evidence is "[t]he greater weight of the
8 evidence, not necessarily established by the greater number of witnesses testifying to a
9 fact but by evidence that has the most convincing force; superior evidentiary weight
10 that, though not sufficient to free the mind wholly from all reasonable doubt, is still
11 sufficient to incline a fair and impartial mind to one side of the issue rather than the
12 other." BLACK'S LAW DICTIONARY at 1220 (8th ed. 1999).

13 4. A.R.S. § 20-301(B) provides:

14 B. Within thirty days after the initial pretrial hearing date, an insurance
15 producer shall report to the director any criminal prosecution of the
16 producer taken in any jurisdiction. The report shall include a copy of the
17 initial complaint filed, the order resulting from the hearing and all other
 relevant legal documents.

18 5. Respondent's failure to report to the Department the criminal prosecution,
19 within 30 days after the initial pretrial conference held on or about July 11, 2013, was a
20 violation of A.R.S. § 20-301(B).

21 6. A.R.S. § 20-301(A) provides:

22 A. Within thirty days after the final disposition of the matter, an insurance
23 producer shall report to the director any administrative action taken
24 against the producer in another jurisdiction or by another governmental
25 agency in this state. The report shall include a copy of the order, consent
 to order or other relevant dispositive document.

26 7. Respondent's failure to report to the Department, within 30 days after the
27 final disposition of the matter, the administrative action taken against Respondent's
28 license in Oregon was a violation of A.R.S. § 20-301(A).

29 8. A.R.S. § 20-295(A) provides, in pertinent part:
30

1 A. The director may deny, suspend for not more than twelve months,
2 revoke or refuse to renew an insurance producer's license or may impose
3 a civil penalty in accordance with subsection F of this section or any
4 combination of actions for any one or more of the following causes:

5
6 2. Violating any provision of this title or any rule, subpoena or order of the
7 director.

8
9 6. Having been convicted of a felony.

10
11 8. Using fraudulent, coercive or dishonest practices, or demonstrating
12 incompetence, untrustworthiness or financial irresponsibility in the
13 conduct of business in this state or elsewhere.

14 9. Respondent's violations of A.R.S. § 20-301(A) and A.R.S. § 20-301(B) in
15 failing to report the administrative action taken against Respondent's license in
16 California and failing to report the criminal prosecution provided cause under A.R.S. §
17 20-295(A)(2) for the Director of the Department to sanction Respondent's non-resident
18 insurance producer's license.

19 10. The convictions for theft and fraud, both class 6 undesignated felonies,
20 provided cause under A.R.S. 20-295(A)(6) for the Director of the Department to
21 sanction Respondent's non-resident insurance producer's license.

22 11. The convictions for theft and fraud provided cause under A.R.S. 20-
23 295(A)(8) for the Director of the Department to sanction Respondent's non-resident
24 insurance producer's license.

25 12. A.R.S. § 20-287(A) provides:

26 A. Unless the director denies a license pursuant to section 20-295, the
27 director shall issue a nonresident person a nonresident insurance
28 producer license if all of the following apply:

29 1. The person is currently licensed as a resident and in good standing in
30 the person's home state.

13. Because Respondent's home state license was revoked, the Director of
the Department had no discretion and was required to also revoke Respondent's
Arizona non-resident insurance producer's license under A.R.S. § 20-287(A)(1).

