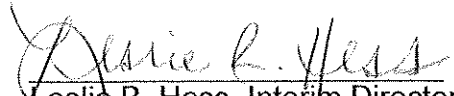




1 Respondent may appeal the final decision of the Interim Director to the Superior  
2 Court of Maricopa County for judicial review pursuant to A.R.S. § 20-166. A party filing an  
3 appeal must notify the Office of Administrative Hearings of the appeal within ten days after  
4 filing the complaint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

5 DATED this 16<sup>th</sup> day of March, 2016.

6  
7   
8 Leslie R. Hess, Interim Director  
Arizona Department of Insurance

9 COPY of the foregoing mailed this  
10 17<sup>th</sup> day of March, 2016 to:

11 DSI Group LLC  
12 3120 W. Carefree Hwy, Suite 1-131  
Phoenix, Arizona 85086  
Respondent

13 DSI Group, LLC  
14 c/o Melissa McAdams  
2028 W. Calle de Las Estrellas  
15 Phoenix, Arizona 85085  
Statutory Agent for Respondent

16 Mary Kosinski, Executive Assistant for Regulatory Affairs  
17 Catherine O'Neil, Consumer Legal Affairs Officer  
Steven Fromholtz, Licensing Director  
18 Arizona Department of Insurance  
2910 North 44th Street, Suite 210  
19 Phoenix, Arizona 85018

20 Liane Kido  
Assistant Attorney General  
21 1275 West Washington Street  
Phoenix, Arizona 85007-2926

22 Office of Administrative Hearings  
23 1400 West Washington, Suite 101  
Phoenix, Arizona 85007

24  
25   
Maidene Scheiner

26

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AZ DEPT. OF INSURANCE  
ADMINISTRATIVE SERVICES

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Insurance License of:

No. 15A-072-INS

DSI Group LLC  
(Arizona License #866833)

ADMINISTRATIVE LAW JUDGE

Respondent.

DECISION

**HEARING:** February 29, 2016

**APPEARANCES:** Liane Kido, Attorney for the Department of Insurance; Steven Fromholtz, Department witness

**ADMINISTRATIVE LAW JUDGE:** Dorinda M. Lang

In a hearing set to consider Respondent's failure to submit a legible set of fingerprints with the application for an insurance producer's license, Respondent failed to appear. Based on the evidence offered by the Arizona Department of Insurance, the Administrative Law Judge finds that it is appropriate to revoke Respondent's license.

**FINDINGS OF FACT**

1. Respondent submitted an application for a license as an insurance producer to the Arizona Department of Insurance ("Department"). The application requires all applicants to submit fingerprints with the application, which are ultimately forwarded to the Federal Bureau of Investigation ("FBI") for a criminal background check. However, because of the time the process takes, the Department issues the licenses to applicants who are otherwise qualified.

2. Effective July 1, 2014, the Department issued Respondent an insurance producer license, with an expiration date of June 30, 2018.<sup>1</sup>

3. According to Steven Fromholtz, Producer Licensing Administrator of the Licensing Section of the Department, when an application for a license is received and processed, it is forwarded to the Arizona Department of Public Safety ("DPS") for processing, which includes processing by the Federal Bureau of Investigation ("FBI")

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

1 for a criminal history background check to be conducted. The Department submits the  
2 completed fingerprint forms supplied by the applicant to DPS and DPS submits the  
3 fingerprint forms to the FBI for national processing. In this case, the fingerprints were  
4 returned because they were illegible.

5 4. On February 9, 2015, the Department issued a letter to Respondent by  
6 mail, informing Respondent that the fingerprint card that Respondent submitted during  
7 the application process for the License could not be processed and was returned by  
8 DPS because Respondent's member, Melissa McAdams' fingerprints were illegible. In  
9 that letter, the Department requested that Respondent submit a replacement set of  
10 fingerprints and enclosed a blank Illegible Fingerprint Replacement Form.<sup>2</sup>

11 5. Because the Department did not receive the requested replacement  
12 fingerprint form from Respondent as requested, the Department sent another letter to  
13 Respondent dated June 9, 2015, giving Respondent a deadline of July 9, 2015, to file  
14 with the Department an Illegible Fingerprint Replacement Form with a new set of  
15 fingerprints or submit a Voluntary Surrender of Insurance License Form. The  
16 Department indicated that the failure to respond to the letter would result in the  
17 initiation of disciplinary action being taken against the License.<sup>3</sup>

18 6. When no response was received, the Department issued a Notice of  
19 Hearing to Respondent's address of record informing Respondent that the issue of  
20 whether the failure to submit legible fingerprints was a violation of the statutes  
21 governing Respondent's license and the matter was set for hearing.

22 7. Respondent did not appear at the hearing. Mr. Fromholtz testified for the  
23 Department that to date, Respondent had not responded to the above-mentioned  
24 letters and had not submitted to the Department a new set of fingerprints. The  
25 Department offered into evidence print outs of Respondent's renewal application and  
26 its filing with the Arizona Corporation Commission, showing that Melissa McAdams is  
27 still a member of Respondent.<sup>4</sup>

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28 <sup>1</sup> See Exhibit 1.

29 <sup>2</sup> See Exhibit 2.

30 <sup>3</sup> See Exhibit 3.

<sup>4</sup> See Exhibits 4 and 5.



