

DEC 5 2016

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE  
DEPT OF INSURANCE  
BY MS

In the Matter of:

**HR GENESIS, INC.**  
(Arizona License No. 1141331)  
(National Producer No. 17881837)

**No. 16A-093-INS**

**ORDER**

Respondent.

On November 23, 2016, the Office of Administrative Hearings, through Administrative Law Judge Velva Moses-Thompson, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Director of the Department of Insurance ("Director") on November 23, 2016, a copy of which is attached and incorporated by this reference. The Interim Director of the Department of Insurance has reviewed the Recommended Decision and enters the following Order:

1. The Interim Director adopts the Recommended Findings of Fact and Conclusions of Law.
2. The Interim Director revokes the Arizona resident insurance producer license, No. 1141331, of **HR Genesis, Inc.** 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 filing a written motion with the Interim 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 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 28<sup>th</sup> day of November, 2016.

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

9 COPY of the foregoing mailed this  
10 5<sup>th</sup> day of December 2016 to:

11 HR Genesis, Inc.  
12 Attn: John Calvin Todman  
13 P.O. Box 1182  
Tolleson, AZ 85353  
Respondent

14 HR Genesis, Inc.  
15 Attn: John Calvin Todman  
16 11868 W. Virginia Ave.  
Avondale, AZ 85392  
Respondent

17 HR Genesis, Inc.  
18 c/o John Calvin Todman  
19 P.O. Box 1182  
Tolleson, AZ 85353  
20 Statutory Agent for Respondent

21 Mary Kosinski, Regulatory Legal Affairs Officer  
22 Catherine O'Neil, Consumer Legal Affairs Officer  
23 Steven Fromholtz, Assistant Director – Consumer Protection Division  
Arizona Department of Insurance  
2910 North 44th Street, Suite 210  
Phoenix, Arizona 85018

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

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

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Maidene Scheiner

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NOV 23 2016

DEPT. OF INSURANCE  
BY: MSK

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of:

No. 16A-093-INS

HR Genesis, Inc  
(Arizona License # 1141331,  
(National Producer # 17881837),

ADMINISTRATIVE LAW JUDGE

DECISION

Respondent.

**HEARING:** November 3, 2016

**APPEARANCES:** Liane C. Kido, Esq. appeared on behalf of the Arizona  
Department of Insurance. Respondent did not appear.

**ADMINISTRATIVE LAW JUDGE:** Velva Moses-Thompson

**FINDINGS OF FACT**

1. On September 23, 2016, the Arizona Department of Insurance ("Department") issued a Notice of Hearing setting the above-captioned matter for hearing at 1:00 p.m. on November 3, 2016.
2. No representative for Respondent HR Genesis, Inc. appeared at the scheduled time and the matter was convened in Respondent's absence at about 1:20 p.m.
3. On March 11, 2016, Respondent submitted to the Department an application for an accident/health insurance, life settlement broker and variable life/variable producer's license. With the application, Respondent's member John Calvin Todman included a copy of his fingerprints.
4. The Department issued to Respondent License No. 1141331, which is scheduled to expire on March 31, 2020.
5. The Department forwarded Respondent's fingerprints the Arizona Department of Public Safety ("DPS") for a criminal records background check. Respondent's fingerprints were not of sufficient quality for use in conducting the background check.

1 6. An applicant who submits illegible fingerprints is considered by the Department  
2 to have submitted an incomplete application.

3 7. In a letter dated May 6, 2016, the Department informed Respondent that on or  
4 before June 6, 2016, Respondent's member, John Calvin Todman was required to  
5 submit to the Department a replacement set of fingerprints.

6 8. The Department did not receive from Respondent any response to its May 6,  
7 2016 letter.

8 9. In a letter dated June 10, 2016, the Department informed Respondent that it was  
9 preparing to initiate an administrative action against Respondent's license because  
10 Respondent failed to submit a full set of fingerprints.

11 10. The Department's June 10, 2016 letter also informed Respondent that on or  
12 before June 30, 2016, Respondent was required to submit the replacement set of  
13 fingerprints, or in the alternative, Respondent could surrender its license.

14 11. Respondent did not submit a replacement set of fingerprints and Respondent did  
15 not surrendered its license.

16 12. The Department requested that Respondent's license be revoked.

#### CONCLUSIONS OF LAW

17 1. The Department bears the burden of persuasion. ARIZ. REV. STAT. § 41-  
18 1092.07(G)(2).

19 2. The standard of proof on all issues is that of a preponderance of the evidence.  
20 Ariz. Admin. Code § R2-19-119.

21 3. A preponderance of the evidence is:

22 The greater weight of the evidence, not necessarily established  
23 by the greater number of witnesses testifying to a fact but by  
24 evidence that has the most convincing force; superior  
25 evidentiary weight that, though not sufficient to free the mind  
26 wholly from all reasonable doubt, is still sufficient to incline a fair  
and impartial mind to one side of the issue rather than the other.  
BLACK'S LAW DICTIONARY 1373 (10th ed. 2014).

27 4. With the application, Respondent was required to submit to the Department a  
28 complete set of fingerprints. Respondent's submission of fingerprints did not satisfy this  
29 requirement because the quality was not sufficient for DPS's use in conducting the  
30 required background check. See ARIZ. REV. STAT. § 20-285(E)(2).

1 5. Because Respondent did not submit fingerprints of sufficient quality,  
2 Respondent's application is incomplete, which is a violation of ARIZ. REV. STAT. section  
3 20-295(A)(1).

4 6. Respondent's conduct constitutes a violation of ARIZ. REV. STAT., Title 20, which  
5 provides grounds for the Director of the Department to revoke Respondent's license.  
6 ARIZ. REV. STAT. § 20-295(A)(2).

7 **RECOMMENDED ORDER**

8 **IT IS ORDERED** that Respondent HR Genesis, Inc.'s License No. 1141331 is  
9 revoked.

10 Done this day, November 23, 2016.

11 /s/ Velva Moses-Thompson  
12 Administrative Law Judge

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14 Transmitted electronically to:

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16 Leslie R. Hess, Interim Director  
17 Arizona Department of Insurance  
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