

OCT 18 1993

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPARTMENT OF INSURANCE
By

In the Matter of)	Docket No. 7797
)	
DOUGLAS JOSEPH CARPA, individually)	
and dba CENTARE INSURANCE TRUST,)	
DOUG CARPA AGENCY, ASOCIACION)	ORDER REVOKING
BENEFICA DE CHOFERES, UNITED)	LICENSES
INSURANCE GROUP; UNITED INSURANCE)	
GROUP TRUST; GUARDIAN INSURANCE)	
TRUST; AMERICAN COMMON TRUST and)	
SUNSHINE STATE MARKETING TRUST,)	
)	
Respondents.)	
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10 On July 30, 1992, the Director issued an "Order
11 Summarily Suspending Licenses and Notice of Opportunity for
12 Hearing" in the above-referenced matter (hereafter referred to
13 as "the Order") under docket number 7797. The Order summarily
14 suspended Respondents' insurance licenses, and advised
15 Respondents that they could request a hearing within thirty days
16 of the date of the Order to contest the allegations contained in
17 the Order. On March 22, 1993, the Director issued a "Notice of
18 Opportunity for Hearing" (hereafter referred to as "the Notice")
19 to Respondent Douglas J. Carpa under docket number 8046. The
20 Notice advised Respondent that he could request a hearing within
21 thirty days of the date of the Notice to contest the allegations
22 contained in the Notice. Both the Order and the Notice further
23 stated that if a timely request for hearing was not received,
24 the Director will enter the allegations in the Order and the
25 Notice as findings of fact and conclusions of law, and will
26 order the revocation of Respondents' insurance licenses together
27 with appropriate civil penalties and restitution as allowed by
28 law.

1 By Order dated September 8, 1993 docket numbers 8046
2 and 7797 were consolidated under docket number 7797. The only
3 Respondent to request a hearing in this matter was Carpa.
4 However the request was withdrawn on October 1, 1993. Therefore
5 pursuant to an Order dated October 4, 1993, the Director makes
6 the following findings of fact and conclusions of law and enters
7 the following order.

8 FINDINGS OF FACT

9 1. The Order and the Notice were mailed to
10 Respondents at their addresses of last record.

11 2. On August 31, 1992, Respondent Carpa requested a
12 hearing on the Order. Thereafter Respondent Carpa withdrew his
13 request for hearing on October 1, 1993.

14 3. At all material times, Respondent Douglas Joseph
15 Carpa ("Carpa") was licensed as a life and disability agent, a
16 property and casualty agent, a property and casualty broker and
17 a surplus lines broker in the State of Arizona (license no.
18 19073).

19 4. Carpa transacted insurance business under his
20 license using the names Douglas Carpa Agency, Asociacion
21 Benefica De Choferes, Centare Insurance Trust and United
22 Insurance Group Trust.

23 5. On or about June 11, 1992, Carpa filed a
24 Certificate of Assumed Business Name with the Department to
25 transact insurance business under the name of Centare Insurance
26 Trust.

27 6. At all material times, Respondent United
28 Insurance Group Trust ("United") was licensed as a life and

1 disability insurance agency and a property and casualty broker
2 in the State of Arizona (license no. 0520569). United's life
3 and disability insurance agency licensed expired May 31, 1993
4 and its property and casualty broker's license expires May 31,
5 1994. Carpa was the sponsoring agent/broker and controlling
6 principal of United. Carpa misrepresented that United operated
7 as a partnership in order to qualify for licensing under A.R.S.
8 §20-295.

9 7. At all material times, Respondent Royal Guardian
10 Insurance Trust ("Royal") was licensed as a life and disability
11 insurance agency and a property and casualty broker in the State
12 of Arizona (license no. 794746). Royal's life and disability
13 insurance agency licensed expired March 31, 1993 and its
14 property and casualty broker's licensed expires March 31, 1994.
15 Carpa was the sponsoring agent/broker and controlling principal
16 of Royal. Royal misrepresented that Royal operated as a
17 partnership in order to qualify for licensing under A.R.S.
18 §20-295.

19 8. At all material times, Respondent American Common
20 Trust ("American") was licensed as a life and disability
21 insurance agency and a property and casualty broker in the State
22 of Arizona (license no. 567923). American's life and disability
23 insurance agency license expired January 31, 1993 and its
24 property and casualty broker's license expires January 31,
25 1994. Carpa was the sponsoring agent/broker and controlling
26 principal of American. Carpa misrepresented that American
27 operated as a partnership in order to qualify for licensing
28 under A.R.S. §20-295.

1 9. At all material times, Sunshine State Marketing
2 Trust ("Sunshine") was licensed as a life and disability
3 insurance agency in the State of Arizona (license no. 7974).
4 Sunshine's life and disability insurance agency license expired
5 April 30, 1993. Carpa was the sponsoring agent/broker and
6 controlling principal of Sunshine. Carpa misrepresented that
7 Sunshine operated as a partnership in order to qualify for
8 licensing under A.R.S. §20-295.

9 10. In June 1991, Carpa was indicted in the United
10 States District Court, Central District of California CR92-484
11 on charges of conspiracy, mail fraud, and wire fraud in
12 connection with a fraudulent insurance scheme.

13 11. The Department received a complaint against
14 Respondents Carpa and United from Fran Percarpio of Wachovia
15 Personal Financial Services on May 6, 1992 regarding possible
16 fraudulent behavior of Respondents.

17 12. On or about June 15, 1992, the Department issued
18 Carpa a subpoena commanding him to appear before the Arizona
19 Department of Insurance ("Department") on June 24, 1992 at 2:00
20 p.m., to testify and give evidence.

21 13. On or about June 24, 1992, Carpa appeared before
22 the Department as commanded. Carpa refused to answer questions
23 or supply requested documents in violation of A.R.S. §20-160.
24 Consequently, the Director was unable to determine if
25 Respondents were in compliance with applicable insurance laws.
26 Therefore, the Director had cause to believe that Respondents
27 may cause harm to the public.
28

1 14. Department records indicated Respondent Carpa
2 listed his social security number as 151-34-6787 on his license
3 application. However, he listed his social security number as
4 986-03-7826 in license applications with the Virginia Department
5 of Insurance. Carpa refused to give his social security number
6 during the examination under oath by the Department.

7 15. On January 24, 1993, Respondent Carpa consented
8 to the revocation of his Missouri license as an insurance agent
9 based upon information that he demonstrated lack of
10 trustworthiness or competence by transacting an insurance
11 business on behalf of an unauthorized insurance company, Royal
12 Guardian Insurance Trust.

13 16. On February 1, 1993, Respondent Carpa's license
14 as an insurance agent was revoked by the Missouri Department of
15 Insurance.

16 CONCLUSIONS OF LAW

17 1. The conduct described above constitutes wilful
18 violation of or wilful noncompliance with any provision of Title
19 20, Arizona Revised Statutes, or any lawful rule, regulation or
20 order of the Director within the meaning of A.R.S. §20-316(A)(2).

21 2. The conduct described in paragraphs 6-9 and 14
22 constitutes misrepresentation in obtaining an insurance license
23 in violation of A.R.S. §20-316(A)(3).

24 3. The conduct described in paragraphs 10, 11 and 14
25 constitutes a record of dishonesty on the part of Respondent
26 Carpa in business or financial matters in violation of A.R.S.
27 §20-290(B)(2) which constitutes the existence of any cause of
28

1 which the original issuance or any renewal of a license could
2 have been refused in violation of A.R.S. §20-316(A)(1).

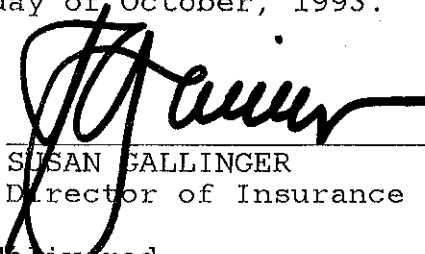
3 4. The conduct described in paragraphs 15 and 16
4 constitutes a record of suspension or revocation of an insurance
5 license in any jurisdiction within the meaning of A.R.S.
6 §20-316(A)(5).

7 5. The conduct described above constitutes conduct
8 of affairs by Respondents under their licenses showing
9 Respondents to be incompetent or a source of injury or loss to,
10 or repeated complaint by, the public or any insurer, all within
11 the meaning of A.R.S. §20-317(A)(7).

12 6. Pursuant to A.R.S. §20-316, it is within the
13 Director's authority to suspend, revoke or refuse to renew
14 Respondents' insurance licenses, to impose a civil penalty and
15 to order restitution.

16 IT IS HEREBY ORDERED that any and all insurance
17 licenses of the above-captioned Respondents are revoked
18 immediately.

19 DATED this 18th day of October, 1993.

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21 
22 _____
SUSAN GALLINGER
Director of Insurance

23 COPY of the foregoing mailed/delivered
24 this 18th day of October, 1993, to:

25 Chris Herstam, Deputy Director
26 Charles R. Cohen, Assistant Deputy Director
27 Jay Rubin, Assistant Director
28 Maureen Catalioto, Supervisor
Sandra Yaffi, Investigator
Department of Insurance
2910 N. 44th Street, Suite 210
Phoenix, Arizona 85018

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Gerrie Switzer
Assistant Attorney General
1275 W. Washington
Phoenix, Arizona 85007

Donald W. MacPherson
MacPherson & McCarville, P.A.
3404 W. Cheryl Drive, #A-250
Phoenix, Arizona 85051

Harold J. Merkow
333 W. El Camino Dr.
Phoenix, Arizona 85021


Chris Crawford