



1                   3. On September 20, 1991, in State of Arizona v.  
2 Carmelo Pagliarello, Maricopa County Superior Court action no.  
3 CR91-07820 ("State v. Pagliarello"), the Grand Jury of Maricopa  
4 County, Arizona accused Mr. Pagliarello with conspiracy to  
5 possess marijuana for sale, a class 3 felony.

6                   4. On June 8, 1992, Mr. Pagliarello pled guilty to a  
7 charge of "solicitation to possess marijuana for sale, a class 5  
8 felony, in violation of A.R.S. §§13-3401, 13-3405, 13-701,  
9 13-702, 13-801, 13-812 and 13-1002." State v. Pagliarello,  
10 Plea Agreement dated June 8, 1992.

11                   5. On July 24, 1992, Maricopa Superior Court Judge  
12 Michael O. Wilkinson accepted the Plea Agreement and entered  
13 final judgment.

14                   6. Judge Wilkinson placed Mr. Pagliarello on  
15 probation for three years beginning July 24, 1992 and ordered Mr.  
16 Pagliarello to complete 50 hours of community service and to pay  
17 a felony assessment, a monthly probation fee, court fee, and a  
18 fine of \$1,050.00.

19                   7. Mr. Pagliarello filed an application to renew the  
20 license with the Department on April 17, 1992 (the "1992 renewal  
21 application").

22                   8. Mr. Pagliarello answered "No" to question 7(f) on  
23 the 1992 renewal application which asked "Are any criminal,  
24 civil, administrative or other judicial or quasi-judicial charges  
25 or proceedings currently pending against you in any  
26 jurisdiction?".

27                   9. When Mr. Pagliarello answered "No" to question  
28 7(f) and submitted the 1992 renewal application which he had

1 signed to the Department, criminal charges filed against him in  
2 the State v. Pagliarello were not concluded.

3  
4 10. Mr. Pagliarello filed an application to renew the  
5 license with the Department on June 6, 1994 (the "1994 renewal  
6 application").

7 11. Mr. Pagliarello answered "No" to question B on the  
8 1994 renewal application which asked "SINCE YOUR LAST APPLICATION  
9 OR RENEWAL THEREOF, have you been convicted of a felony?".

10 12. When Mr. Pagliarello answered "No" to question B  
11 and submitted the 1994 renewal application which he had signed to  
12 the Department, Mr. Pagliarello had pled guilty to a charge of  
13 solicitation to possess marijuana for sale, a class 5 felony.  
14 State v. Pagliarello, Plea Agreement dated June 8, 1992.

15 13. At the hearing of this matter, Mr. Pagliarello  
16 presented Robert L. Storrs, an attorney who specializes in  
17 criminal law, as a character witness and presented letters  
18 (Respondent's Exhibits 1-8) in support of Mr. Pagliarello's good  
19 character and reputation as a bail bond agent.

20 14. Mr. Pagliarello testified that when he had  
21 delivered \$24,000.00 to an undercover law enforcement agent as  
22 part of a drug transaction, he knew the illegal purpose of his  
23 action. As a consequence of that activity, criminal charges were  
24 filed against Mr. Pagliarello in State v. Pagliarello.

25 15. The criminal violation which Mr. Pagliarello pled  
26 guilty to in State v. Pagliarello, solicitation to possess  
27 marijuana for sale, is a crime of moral turpitude.

28 . . .  
. . .

CONCLUSIONS OF LAW

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2           1. The Director has jurisdiction in this matter  
3 pursuant to A.R.S. §20-161.

4           2. Moral turpitude is defined as acts adversely  
5 reflecting on one's honesty, integrity or personal values, Dean  
6 v. Dolny, 161 Ariz. 297, 778 P.2d 1193 (Ariz. 1984). The  
7 Arizona Supreme Court has noted that offenses involving the sale  
8 and trafficking in prohibited substances are crimes of moral  
9 turpitude. See Matter of Marquardt, 161 Ariz. 206, 212, 778  
10 P.2d 241, 247 (Ariz. 1989).

11           3. Mr. Pagliarello acted dishonestly for personal  
12 financial gain when he performed the activities which caused  
13 criminal charges to be filed against him and resulted in a Plea  
14 Agreement in State v. Pagliarello. Mr. Pagliarello's 1992 Plea  
15 Agreement and final judgment in State v. Pagliarello  
16 constitutes a record of conviction of a felony involving moral  
17 turpitude within the meaning of A.R.S. §20-316(A)(6).

18           4. Mr. Pagliarello's employment as a bail bond agent  
19 with Garcia's Bail Bonds is a violation of A.R.S. §20-321(A)(9).

20           5. Mr. Pagliarello's 1992 and 1994 renewal  
21 applications which he signed and filed with the Department did  
22 not accurately reflect the status of Mr. Pagliarello's criminal  
23 history and constitutes a material misrepresentation or fraud in  
24 obtaining or attempting to obtain any insurance license within  
25 the meaning of A.R.S. §20-316(A)(3).

26           6. Mr. Pagliarello's signing and filing of the 1992  
27 and 1994 renewal applications with the Department were done  
28

1 knowingly and intentionally and constitute wilful violations of  
2 A.R.S. §20-316(A)(3) within the meaning of A.R.S. §20-316(A)(2).  
3

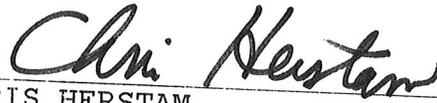
4 ORDER

5 IT IS ORDERED that:

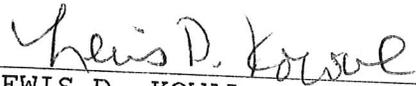
6 1. All insurance licenses issued by the Arizona  
7 Department of Insurance to Respondent Carmelo Pagliarello dba  
8 Garcia's Bail Bonds are revoked effective immediately.

9 2. Pursuant to A.R.S. §20-316, Respondent Carmelo  
10 Pagliarello dba Garcia's Bail Bonds shall pay a civil penalty to  
11 the Arizona Department of Insurance in the amount of \$1,000.00  
12 within 20 days of the date of this Order.

13 DATED this 13th day of July, 1995.

14 

15 CHRIS HERSTAM  
16 Director of Insurance

17 

18 LEWIS D. KOWAL  
19 Chief Administrative Law Judge

20 NOTIFICATION OF RIGHTS

21 The aggrieved party may request a rehearing with  
22 respect to this Order by filing a written petition with the  
23 Administrative Law Division within 30 days of the date of this  
24 Order, setting forth the basis for such relief pursuant to A.A.C.  
25 R4-14-114(B).

26 The final decision of the Director may be appealed to  
27 the Superior Court of Maricopa County for judicial review  
28 pursuant to A.R.S. §20-166.

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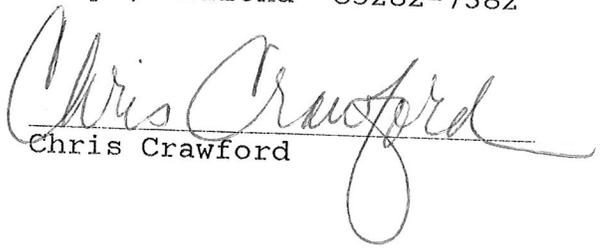
COPY of the foregoing mailed/delivered  
this 13th day of July, 1995, to:

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