

OCT 18 1996

DEPT. OF INSURANCE
BY CWS

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

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In the Matter of)
)
MARK RANDOLPH RIGGS)
 License No. 8388081)
)
 Respondent.)
)

Docket No. 96A-182

CONSENT ORDER

The Arizona Department of Insurance, ("Department"), has received evidence that Respondent, Mark Randolph Riggs has allegedly violated the provisions of A.R.S. Title 20. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits, for the purpose of the above-captioned matter only, the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent at all material times, held an Arizona license to transact life, disability and variable annuity business as an agent, license number 838081. The license expires effective July 31, 1997, unless renewed.
2. On or about December 1, 1995, Respondent met with Zona Van Auken ("Mrs. Van Auken") to discuss her living trust. At this time, Respondent obtained a copy of the death certificate issued upon the death of Albert L. Van Auken ("Mr. Van Auken").
3. On or about December 14, 1995, LifeUSA Insurance Company ("LifeUSA") received a request to surrender LifeUSA policy 3104115, an annuity policy issued to Mr. Van Auken and benefiting Mrs. Van Auken. Enclosed with the surrender request was a death certificate for Mr. Van Auken. Respondent forged the signature of Mrs. Van Auken on the surrender request.

1 4. The surrender request specified that the proceeds of the surrender should be sent to a post
2 office box in Phoenix, Arizona.

3 5. On or about December 19, 1995, LifeUSA issued check number 1Y-491347 in the amount of
4 \$34,048.51 to Zona G. Van Auken. This amount represented the full surrender of the annuity.
5

6 6. On or about December 20, 1995, LifeUSA check number 1Y-491347 was deposited into
7 Arizona Federal Credit Union account number 104298. Respondent forged the endorsement of
8 Mrs. Van Auken on the check, payable to the "Federation Group."

9 7. Mrs. Van Auken neither requested the surrender of the LifeUSA annuity policy, nor endorsed
10 the proceeds check issued by LifeUSA, nor authorized payment of the proceeds to the Federation
11 Group. In fact, Mrs. Van Auken had no knowledge of this transaction until she received IRS
12 Form 1099 relating to the tax on the proceeds from the LifeUSA policy.
13

14 8. Arizona Federal Credit Union account number 104298 is a savings account in the name of
15 "Mark Riggs DBA The Federation Group."

16 9. The Department has received no notice from Respondent that he transacts insurance business
17 under the fictitious name "The Federation Group."
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1 **CONCLUSIONS OF LAW**

- 2 1. The Director has jurisdiction over this matter.
- 3
- 4 2. Respondent's failure to file a certificate of assumed business name for "The Federation
- 5 Group" is a violation of A.R.S. § 20-318.
- 6 3. Respondent's conduct with respect to both Mrs. Van Auken and Life USA constitutes the
- 7 willful violation of, or willful noncompliance with, any provision of Title 20, or any lawful rule,
- 8 regulation or order of the Director, within the meaning of A.R.S. §20-316(A)(2).
- 9 4. Respondent's conduct with respect to Mrs. Van Auken constitutes the misappropriation or
- 10 conversion to his own use or illegal withholding of monies belonging to policyholders, insurers,
- 11 beneficiaries or others and received in or during the conduct of business under the license or
- 12 through its use, within the meaning of A.R.S. § 20-316(A)(4).
- 13
- 14 5. Respondent's conduct with respect to Mrs. Van Auken constitutes the conduct of affairs
- 15 under the license showing the licensee to be incompetent or a source of injury and loss to, or
- 16 repeated complaint by, the public or any insurer, within the meaning of A.R.S. §20-316(A)(7).
- 17 6. Respondent's conduct with respect to Life USA constitutes the presentation to an insurer of
- 18 materially false information concerning a fact material to a claim for payment or benefit pursuant
- 19 to an insurance policy, within the meaning of A.R.S. §20-463 (A)(1)(c).
- 20
- 21 7. Respondent's conduct with respect to LifeUSA constitutes the diversion or attempt to
- 22 conspire to divert the monies of an insurer licensed to transact insurance business in this state in
- 23 connection with the transaction of insurance business, pursuant to A.R.S. § 20-463(A)(4)(a).
- 24 8. Grounds exist for the Director to suspend, revoke, or refuse to renew the insurance license(s)
- 25 held by Respondent and to order Respondent to pay civil penalties, pursuant to A.R.S. § 20-
- 26 316(A) and (C).
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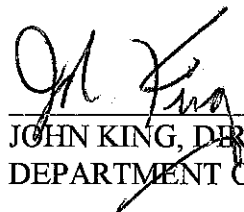
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ORDER

IT IS ORDERED THAT:

1. The insurance licenses held by Respondent are revoked upon entry of this order.
2. Respondent shall make restitution to LifeUSA in the amount of thirty-four-thousand, forty-eight dollars and fifty-one cents (\$34,048.51) in accordance with that certain Settlement Agreement between LifeUSA and Respondent dated April 3, 1996 and the Stipulation for Entry of Judgment dated April 3, 1996, copies of which are attached hereto and incorporated herein.
3. Respondent shall never apply for an insurance license in Arizona whether in his individual capacity or as the owner, officer, director or person designated to exercise the powers of any firm.

DATED AND EFFECTIVE THIS 17th day of October, 1996.



JOHN KING, DIRECTOR
DEPARTMENT OF INSURANCE

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CONSENT TO ORDER

1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.
2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and admits, for the purpose of the above-captioned matter only, the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and Order.
3. Respondent is aware of his right to notice and a hearing at which he may be represented by counsel, present evidence and cross-examine witnesses. Respondent irrevocably waives his right to such notice and hearing and to any court appeals relating to this consent order.
4. Respondent states that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to him to induce him to enter into this Consent Order and that he has entered in to this Consent Order voluntarily.
5. Respondent acknowledges that the acceptance of this Consent Order by the Director of Insurance, State of Arizona, is solely to settle this matter against him and does not preclude any other agency, officer or subdivision of this state from instituting civil or criminal proceedings as may be appropriate now or in the future.

October 7, 1996
Date

Mark Randolph Riggs
Mark Randolph Riggs
License Number 838081

1 Copies of the foregoing mailed this 18th day of October, 1996.

2 Mark Randolph Riggs
3 2619 North Rico
4 Mesa, Arizona 85213

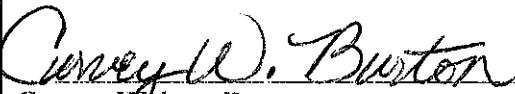
5 Charles R. Cohen, Deputy Director
6 John Gagne, Assistant Director
7 Maureen Catalioto, Licensing Supervisor
8 Catherine O'Neil, Assistant Director, Consumer Services
9 Arizona Department of Insurance
10 2910 North 44th Street, Suite 210
11 Phoenix, Arizona 85018

12 LifeUSA
13 300 South Highway 169
14 Minneapolis, MN 55459-0060

15 Zona Van Auken
16 2500 Alder St., #11
17 Milton, WA 98354

18 Sharon Stephen
19 9527 28th St., CT. E.
20 Puyallup, WA 98371

21 Matthew L. Riggs
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23 1201 S. Alma School Rd., #1500
24 Mesa, AZ 85210
25 Attorney for Respondent

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28