



1 A.R.S. §§ 20-316(A)(1) together with 20-290(B)(2), 20-316(A)(2),  
2 (A)(4), (A)(7) and 20-463(A)(4)(a).

3 2. The conduct alleged in the Notice constitutes grounds  
4 for the Director to impose a civil penalty pursuant to A.R.S. §  
5 20-316(C).

6 ORDER

7 Based on the above, it is ordered that:

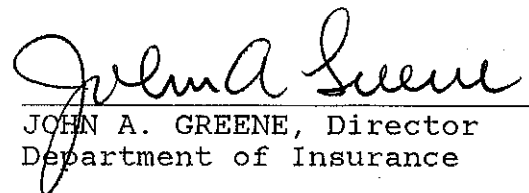
8 1. All insurance licenses held by Kevin C. Pattison are  
9 revoked effective upon the issuance of this Order.

10 2. Respondent Pattison shall make restitution to the  
11 insurers named below and in the amounts listed:

<u>Insurance Company</u>	<u>Premium</u>
Insurance Company of the West	\$ 168.00
Insurance Company of the West	206.00
Infinity Insurance Company	165.00
Infinity Insurance Company	113.00
Infinity Insurance Company	113.00
Titan Insurance Company	100.00
Insurance Company of the West	280.00
Titan Insurance Company	370.00
Clarendon National Insurance	197.00
Insurance Company of the West	250.00
	<u>\$1,962.00</u>

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18 3. Respondent Pattison shall pay a civil penalty to the  
19 Department in the amount of \$2,500.00 within thirty days of the  
20 entry of this Order.

21 DATED this 31 day of January, 1997.

22  
23   
24 JOHN A. GREENE, Director  
25 Department of Insurance  
26  
27  
28

1 COPY of the foregoing mailed this  
2 31st day of January, 1997, to:

3 Charles R. Cohen, Deputy Director  
4 John Gagne, Assistant Director  
5 Maureen Catalioto, Supervisor  
6 Olivia R. Duarte, Investigator  
7 Department of Insurance  
8 2910 North 44th Street, Suite 210  
9 Phoenix, AZ 85018

10 Office of Administrative Hearings  
11 1700 West Washington, Suite 602  
12 Phoenix, AZ 85007

13 Michael J. De La Cruz  
14 Assistant Attorney General  
15 Attorney General's Office  
16 1275 West Washington  
17 Phoenix, AZ 85007

18 Kevin Pattison  
19 1610 South Cathay Place  
20 Tucson, AZ 85748

21 Country Life Insurance Company  
22 Post Office Box 2000  
23 Bloomington, IL 61702-2000

24 Coronet Insurance Company  
25 3500 Wester Peterson Avenue  
26 Chicago, IL 60659

27 Progressive Casualty Insurance  
28 Company  
Post Office Box 5070  
Cleveland, OH 44101-5070

Viking Insurance Company of  
Wisconsin  
Post Office Box 5365  
Madison, WI 53705-0365

Condor Insurance Company  
2361 Rosecrans Avenue  
El Segundo, CA 90245

Foremost Property & Casualty  
Insurance Company  
Post Office Box 2450  
Grand Rapids, MI 49501-2450

27   
28 Curvey Walters Burton

DEC 24 1996

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE  
BY CAK

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In the Matter of:	)	
KEVIN C. PATTISON,	)	No. 96A-238
	)	
Respondent.	)	NOTICE OF HEARING

PLEASE TAKE NOTICE, that pursuant to the provisions of Arizona Revised Statutes ("A.R.S.") §§ 20-161 through and including 20-165 and 41-1061, et seq., the above-captioned matter will be heard before the Director of Insurance of the State of Arizona (the "Director"), or his duly designated representative, on the 4th day of February, 1997, at 9:00 o'clock a.m., at Office of Administrative Hearings  
1700 W. Washington, Suite 602, Phoenix, Arizona (the "Hearing").

Motions to continue this matter shall be made in writing to the Administrative Law Judge not less than five (5) business days prior to the date set for the Hearing. A copy of any motion to continue shall be mailed or hand-delivered to the opposing party on the same date of filing with the Office of Administrative Hearings.

A.R.S. §20-164 entitles any person affected by this Hearing to appear in person and by counsel, to be present during the giving of all evidence, to have a reasonable opportunity to inspect all documentary evidence, to examine witnesses, to present evidence in support of his/her interests, and to have subpoenas issued by the Administrative Law Judge to compel attendance of witnesses and production of evidence on the person's behalf.

1 Questions concerning issues raised in this Notice of Hearing  
2 should be directed to Assistant Attorney General KATHRYN LEONARD  
3 (602) 542-7719, 1275 West Washington, Phoenix, Arizona 85007.

4 NOTICE OF APPLICABLE RULES

5 On January 23, 1992, the Arizona Department of Insurance  
6 adopted A.A.C. R20-6-101 through R20-6-115, setting forth the  
7 rules of practice and procedure applicable in contested cases  
8 before the Director of Insurance. The hearing will be conducted  
9 pursuant to these rules.

10 PURSUANT TO A.A.C. R20-6-106 SHALL FILE A WRITTEN ANSWER  
11 WITH THE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN TWENTY (20) DAYS  
12 AFTER ISSUANCE OF THIS NOTICE OF HEARING AND SHALL MAIL OR DELIVER  
13 A COPY OF THE ANSWER TO THE ASSISTANT ATTORNEY GENERAL DESIGNATED  
14 ABOVE. THE ANSWER SHALL STATE RESPONDENT'S POSITION OR DEFENSE  
15 AND SHALL SPECIFICALLY ADMIT OR DENY EACH ASSERTION IN THE NOTICE  
16 OF HEARING. ANY ASSERTION NOT DENIED SHALL BE DEEMED TO BE  
17 ADMITTED. ANY DEFENSE NOT RAISED IN THE ANSWER SHALL BE DEEMED  
18 WAIVED. IF AN ANSWER IS NOT TIMELY FILED, THE RESPONDENT SHALL BE  
19 DEEMED IN DEFAULT AND THE DIRECTOR MAY DEEM THE ALLEGATIONS ARE  
20 TRUE AND TAKE WHATEVER ACTION IS APPROPRIATE, INCLUDING  
21 SUSPENSION, REVOCATION, DENIAL OF A LICENSE, OR RENEWAL OF A  
22 LICENSE, IMPOSITION OF A CIVIL PENALTY AND/OR RESTITUTION TO ANY  
23 PARTY INJURED.

24 PERSONS WITH DISABILITIES MAY REQUEST REASONABLE  
25 ACCOMMODATIONS SUCH AS INTERPRETERS, ALTERNATIVE FORMAT, OR  
26 ASSISTANCE WITH PHYSICAL ACCESSIBILITY. REQUESTS FOR

1 ACCOMMODATIONS MUST BE MADE WITH 72 HOURS PRIOR NOTICE. IF YOU  
2 REQUIRE ACCOMMODATIONS, PLEASE CONTACT THE OFFICE OF  
3 ADMINISTRATIVE HEARINGS AT 542-0887.

4 The allegations supporting this Notice of Hearing are as  
5 follows:

6 1. Express Auto Insurance ("Express Auto") was at all times  
7 material licensed as a property and casualty insurance broker  
8 (License No. 9469). That license expired June 30, 1996.

9 2. Kevin C. Pattison ("Pattison") is currently licensed as  
10 a property and casualty insurance broker (License No. 533390).  
11 That license is due to expire December 31, 1996. Pattison was at  
12 all times material the Vice President of Express Auto and is the  
13 only licensed agent for Express Auto.

14 3. Between December, 1994 and the present, Pattison  
15 received premium from the individuals listed below for automobile  
16 insurance policies through the insurers named below:

17	<u>Name</u>	<u>Date</u>	<u>Premium</u>	<u>Insurance Company</u>
18	Ruben Zepeda	8/29/95	\$168.00	Insurance Co. of the West
	George R. Campos	6/17/95	\$206.00	Insurance Co. Of the West
19	Roxane K. Brown	6/9/95	\$165.00	Infinity Insurance Co.
		7/95	\$113.00	
20		8/95	\$113.00	
	Narciso Quintana	10/16/95	\$100.00	Titan Insurance Company
21	Kevin Geogham	7/15/95	\$280.00	Insurance Co. Of the West
	Ismael Gutierrez	5/15/95	\$370.00	Titan Insurance Company
22	Jennifer Canupp	12/17/94	\$197.00	Clarendon National Ins.
	Kenneth R. Foote	2/7/95	\$250.00	Insurance Co. of the West

23  
24 4. Pattison failed to forward applications and premium  
25 received from the individuals named above to the insurers named  
26 above. Instead, Pattison misappropriated and/or converted the

1 funds to his own use.

2 5. Each of the individuals name above have been reimbursed  
3 and/or provided insurance coverage by the insurers named above,  
4 for the period of time requested.

5 6. To date, Pattison has failed to repay any of the premium  
6 received to individuals and/or insurers named above.

7 7. On October 2, 1996, an Order to Appear was sent to  
8 Pattison by certified mail to his address of record on file with  
9 the Department. The Order was returned to the Department by the  
10 post office as "Unclaimed".

11 8. Pattison's conduct alleged above constitutes the  
12 existence of any cause for which original issuance or any renewal  
13 of the license could have been refused within the meaning of  
14 A.R.S. § 20-316(A) (1).

15 9. Pattison's conduct alleged above constitutes a record of  
16 dishonesty in business or financial matters in violation of A.R.S.  
17 § 20-316(A) (1) together with A.R.S. § 20-290(B) (2).

18 10. Respondent's conduct alleged above constitutes the  
19 wilful violation of, or wilful noncompliance with, any provision  
20 of this title, or any lawful rule, regulation or order of the  
21 director in violation of A.R.S. § 20-316(A) (2).

22 11. Pattison's conduct alleged above constitutes the  
23 misappropriation or conversion to his own use or illegal  
24 withholding of monies belonging to policyholders, insurers,  
25 beneficiaries or other and received in or during the conduct of  
26 business under the license or thorough its use in violation of

1 A.R.S. § 20-316(A)(4).

2 12. Pattison's conduct alleged above constitutes a conduct  
3 of affairs under the license showing the licensee to be  
4 incompetent or a source of injury and loss to, or repeated  
5 complaint by, the public or any insurer within the meaning of  
6 A.R.S. § 20-316(A)(7).

7 13. Pattison's conduct alleged above constitutes an act of  
8 fraud in that Pattison knowingly and with intent to defraud  
9 diverted or attempted or conspired to divert the monies of an  
10 insurer in connection with the transaction of insurance within the  
11 meaning of A.R.S. § 20-463(A)(4)(a).

12 14. Grounds exist for the Director to suspend, revoke or  
13 refuse to renew Pattison's insurance licenses, impose a civil  
14 penalty upon Pattison, and/or order restitution, pursuant to  
15 A.R.S. § 20-316(A) and § 20-316(C).

16 WHEREFORE, if after hearing, the Director makes a finding of  
17 one or more of the above-described allegations the Director may  
18 suspend, revoke or refuse to renew Pattison's insurance licenses,  
19 impose a civil penalty and order restitution, pursuant to A.R.S.  
20 §§ 20-316(A) and 20-316(C).

21 Pursuant to A.R.S. § 20-150, the Director of Insurance  
22 delegates the authority vested in the Director of Insurance of the  
23 State of Arizona, whether implied or expressed, to the Director of  
24 the Office of Administrative Hearings or his designee to preside  
25 over the hearing of this matter as the Administrative Law Judge,  
26 to make written recommendations to the Director of Insurance



1 consisting of proposed findings of fact, proposed conclusions of  
2 law, and a proposed order. This delegation does not include a  
3 delegation of the authority of the Director of Insurance to make  
4 the order on hearing or other final decision in this matter.

5 Pursuant to Arizona Revised Statutes § 41-1092.01, your  
6 Hearing will be conducted by the Office of Administrative  
7 Hearings, an independent agency. Please find enclosed a copy of  
8 the procedures to be followed.

9 DATED in Phoenix, Arizona this 16<sup>th</sup> day of December, 1996.

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*for* Charles Cohen, DEP. DIR.  
JOHN C. KING, Director  
Arizona Department of Insurance

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COPY of the foregoing mailed  
this 24th day of December,  
15 1997, to:

15

16

Office of Administrative Hearings  
1700 West Washington  
17 Phoenix, AZ 85007

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Kathryn Leonard  
Assistant Attorney General  
19 1275 West Washington, Room 259  
Phoenix, AZ 85007

20

21

Charles R. Cohen, Deputy Director  
John Gagne, Assistant Director  
Olivia Duarte, Investigator  
22 Maureen Catalioto, Supervisor  
Department of Insurance  
23 2910 North 44th Street, Suite 210  
Phoenix, AZ 85018

24

25

Kevin Pattison  
1610 South Cathay Place  
Tucson, AZ 85748

26

1 Kevin Pattison  
Express Auto Insurance  
2 4866 East Broadway  
Tucson, AZ 85711  
3

4 A courtesy copy of this Notice of Hearing has been  
mailed/delivered to the persons listed below. If you are listed  
5 below, you will receive no further notices or documents concerning  
this matter other than the Director's final order. Information  
6 about the status of this matter, including whether the hearings  
date has been changed, may be obtained by contacting the  
Department of Insurance at (602) 912-8454 or the Assistant  
7 Attorney General identified above, at (602) 542-7719.

8 Country Life Insurance Company  
P.O. Box 2000  
9 Bloomington, IL 61702-2000

10 Coronet Insurance Company  
3500 Wester Peterson Avenue  
11 Chicago, IL 60659

12 Progressive Casualty Insurance Company  
P.O. Box 5070  
13 Cleveland, OH 44101-5070

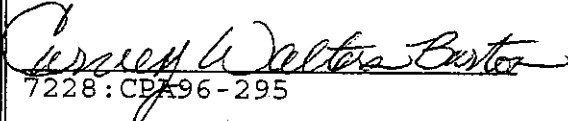
14 Viking Insurance Company of Wisconsin  
P.O. Box 5365  
15 Madison, WI 53705-0365

16 Condor Insurance Company  
2361 Rosecrans Avenue  
17 El Segundo, CA 90245

18 Foremost Property & Casualty Insurance Company  
P.O. Box 2450  
19 Grand Rapids, MI 49501-2450

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23 7228:CPA96-295

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