

DEL

JUN 20 2002

DEPT. OF INSURANCE  
BY     

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

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In the Matter of:                                 )  
                                                           )  
**MICHAEL STEVEN BROWN DBA**                 )  
**DESIGN INSURANCE SERVICES AND**         )  
**TIM INSURANCE, INC.**                         )  
                                                           )  
                                 Respondents.        )  
                                                           )  
\_\_\_\_\_ )

No. 02A-091-INS  
**FINDINGS OF FACT, CONCLUSIONS  
OF LAW AND ORDER**

8                 On May 1, 2002, the Arizona Department of Insurance ("Department") issued a Notice of  
9 Hearing (the "Notice") in the above-captioned matter, a copy of which is attached and incorporated  
10 by this reference. The Notice required Michael Steven Brown ("Respondent Brown") to provide a  
11 written answer to the allegations set forth in the Notice within twenty days of the issuance of the  
12 Notice. As of this date, Respondents have failed to file an answer. On June 6, 2002 counsel for the  
13 Department filed a Request for Default, and Proposed Findings of Fact, Conclusions of Law and  
14 Order. On June 19, 2002, counsel for the Department filed an Amended Request for Default to include  
15 restitution omitted in the original Request. As of this date, Respondents have not responded to the  
16 Department's request. Pursuant to A.A.C. R20-6-106(D), a party that fails to file an answer within  
17 the time provided shall be deemed to be in default and one or more of the allegations in the Notice of  
18 Hearing may be deemed to be admitted.

**FINDINGS OF FACT**

- 19  
20                 1.         Notice was proper.  
21                 2.         Respondents are in default.  
22                 3.         The allegations in the Notice are deemed admitted.

**CONCLUSIONS OF LAW**

- 23  
24                 1.         The conduct alleged in the Notice constitutes grounds for the Director to suspend,  
25 revoke or refuse to renew Respondents' licenses to transact insurance in Arizona, pursuant to A.R.S.  
26 §20-316 (A) and (C).

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**ORDER**

IT IS ORDERED:

1. The property, casualty, life and disability insurance producer's licenses held by Respondents are revoked effective upon the issuance of this Order.

2. Respondents are ordered to pay restitution in the amount of two hundred seventy-five dollars (\$275.00) to Diane M. Gonzalez.

3. The hearing set for June 26, 2002, at 9:00 a.m. shall be vacated.

DATED this 20<sup>th</sup> day of June, 2002.



CHARLES R. COHEN, Director  
Arizona Department of Insurance

1 COPY of the foregoing mailed this  
2 20th day of June, 2002, to:

3 Lewis D. Kowal  
4 Administrative Law Judge  
5 Office of Administrative Hearings  
6 1400 West Washington, Suite 101  
7 Phoenix, Arizona 85007

8 Mary E. Kosinski  
9 Assistant Attorney General  
10 1275 West Washington  
11 Phoenix, Arizona 85007  
12 Attorneys for the Department

13 Michael Steven Brown  
14 dba Design Insurance Services  
15 3823 W. Aire Libre  
16 Phoenix, Arizona 85023  
17 Respondent

18 Michael Steven Brown  
19 dba Design Insurance Services  
20 13201 N. 35th Avenue, #B-16  
21 Phoenix, Arizona 85029  
22 Respondent

23 Michael Steven Brown  
24 P.O. Box 22016  
25 Mesa, Arizona 85277  
26 Respondent

Michael Steven Brown  
dba Design Insurance Services  
P.O. Box 22016  
Mesa, Arizona 85277  
Respondent

Gerrie L. Marks, Executive Assistant for Regulatory Affairs  
Mary Butterfield, Assistant Director  
Del Wisecarver, Licensing Section  
Arnold Sniegowski, Investigator  
Arizona Department of Insurance  
2910 North 44th Street, Second Floor  
Phoenix, Arizona 85018

24   
25 \_\_\_\_\_  
26 742483 [CPA02-061]

MAY 1 2002

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE  
BY CB

In the Matter of:

**MICHAEL STEVEN BROWN DBA  
DESIGN INSURANCE SERVICES AND  
TIM INSURANCE, INC.,**

Respondents.

No. 02A-091-INS

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, 41-1061 through and including 41-1066, and 41-1092.01, 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 26<sup>th</sup> day of June, 2002, at 9:00 a.m., at the Office of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix, Arizona 85007 (the "Hearing").

Motions to continue this matter shall be made in writing to the Administrative Law Judge not less than fifteen (15) business days prior to the date set for 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(B) 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 supporting evidence in support of his interests, and to have subpoenas issued by the Administrative Law Judge to compel attendance of witnesses and production of evidence.

1 If Respondents are represented by counsel, the attorney shall be licensed to practice law in the  
2 State of Arizona or, if Respondents are an insurer, they may be represented by a corporate officer,  
3 pursuant to A.R.S. §20-161(B).

4 Pursuant to A.R.S. §41-1092.07(E), a clear and accurate record of the proceedings will be made  
5 by a court reporter or by electronic means. Any party that requests a transcript of the proceeding shall  
6 pay the cost of the transcript to the court reporter or other transcriber.

7 Questions concerning issues raised in this Notice of Hearing should be directed to Assistant  
8 Attorney General Mary D. Kosinski, (602) 542-8830, 1275 West Washington, Phoenix, Arizona 85007.

#### 9 **NOTICE OF APPLICABLE RULES**

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

13 PURSUANT TO A.A.C. R20-6-106, RESPONDENTS SHALL FILE A WRITTEN ANSWER  
14 WITHIN 20 DAYS AFTER ISSUANCE OF THIS NOTICE OF HEARING AND SHALL MAIL OR  
15 DELIVER A COPY OF THE ANSWER TO THE ASSISTANT ATTORNEY GENERAL  
16 DESIGNATED ABOVE. THE ANSWER SHALL STATE RESPONDENTS POSITION OR  
17 DEFENSE AND SHALL SPECIFICALLY ADMIT OR DENY EACH ASSERTION IN THE NOTICE  
18 OF HEARING. ANY ASSERTION NOT DENIED SHALL BE DEEMED TO BE ADMITTED. ANY  
19 DEFENSE NOT RAISED IN THE ANSWER SHALL BE DEEMED WAIVED. IF AN ANSWER IS  
20 NOT TIMELY FILED, RESPONDENTS SHALL BE DEEMED IN DEFAULT AND THE  
21 DIRECTOR MAY DEEM THE ALLEGATIONS ARE TRUE, AND TAKE WHATEVER ACTION IS  
22 APPROPRIATE, INCLUDING SUSPENSION, REVOCATION, DENIAL OF A LICENSE, OR  
23

1 RENEWAL OF A LICENSE, IMPOSITION OF A CIVIL PENALTY AND/OR ORDER  
2 RESTITUTION TO ANY PARTY INJURED.

3 PERSONS WITH DISABILITIES MAY REQUEST REASONABLE ACCOMMODATIONS  
4 SUCH AS INTERPRETERS, ALTERNATIVE FORMATS, OR ASSISTANCE WITH PHYSICAL  
5 ACCESSIBILITY. REQUESTS FOR ACCOMMODATIONS SHOULD BE MADE AS EARLY AS  
6 POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATIONS. IF YOU REQUIRE  
7 ACCOMMODATIONS, PLEASE CONTACT THE OFFICE OF ADMINISTRATIVE HEARINGS AT  
8 (602) 542-9826.

9 The allegations supporting this Notice of Hearing are as follows:

10 1. Respondent, Michael Steven Brown ("Brown") does business as Design Insurance  
11 Services and is currently licensed as a property, casualty, life and disability producer in the State of  
12 Arizona, license number 11098.

13 2. TIM Insurance, Inc. ("TIM Insurance") is an Arizona corporation incorporated by Brown  
14 on February 17, 1999. TIM Insurance is currently licensed as a property, casualty, life and disability  
15 agency in the State of Arizona, license number 74690. This license is due to expire March 31, 2003.

16 3. On July 20, 1999, Brown and TIM Insurance signed an agency agreement with GRE  
17 Insurance Group ("GRE") and National Insurance Association ("NIA") to sell auto insurance in Arizona.  
18

19 4. On September 17, 2001, NIA sent a letter terminating its agency agreement with TIM  
20 Insurance effective October 17, 2001.  
21

22 5. On September 23, 1999, Brown and TIM Insurance contracted with AIG to sell insurance  
23 in Arizona.  
24

Count I – Diana Gonzalez

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2           6.       On August 13, 2001, the Department received a complaint from Diana M. Gonzalez  
3 (“Gonzalez”). Her complaint alleges that on June 11, 2001, she paid \$275 to Brown for full coverage for  
4 a 1991 Chevrolet Corsica and liability coverage for a 1987 Lincoln Towncar.

5           7.       Gonzalez received an insurance identification card from Brown indicating “binder”  
6 coverage with GRE Insurance Group for a 1991 Chevrolet Corsica effective June 11, 2001 through June  
7 11, 2002.

8           8.       On June 11, 2001, Gonzalez’s check #111 made payable to TIM Insurance in the amount  
9 of \$275 was deposited into TIM Insurance’s Bank One account, account #07571818.

10          9.       Although NIA received Gonzalez’ application and premium money on June 25, 2001,  
11 both items were returned to TIM Insurance and a policy was not issued. Brown and TIM Insurance  
12 failed to secure coverage for Gonzalez or refund the \$275.

13          10.       On July 27, 2001, Gonzalez was in an auto accident.

14          11.       On or about September 13, 2001, a Department investigator sent a subpoena duces tecum  
15 to TIM Insurance to the attention of Brown at Brown’s business address and home address. The  
16 subpoena duces tecum required Brown to appear for an Examination Under Oath scheduled for  
17 September 27, 2001 and to answer questions regarding the Gonzalez complaint.

18          12.       On September 26, 2001, the Department investigator sent a copy of the subpoena duces  
19 tecum to Brown via his email address.

20          13.       Brown failed to appear for the Examination Under Oath scheduled for September 27,  
21 2001.

22          14.       On or about October 3, 2001, the subpoena duces tecum sent out to Brown’s house and  
23 place of business were returned to the Department as “unclaimed.”  
24

Count II – Daniel Yelda

15. On or about May 14, 2001, Daniel Yelda dba Babylon Candy (“Yelda”) wrote check #1101, in the amount of \$90 to TIM Insurance. Check #1101 was deposited into TIM Insurance’s Bank One account, account #07571818, on June 21, 2001.

16. On May 14, 2001, Brown issued a quote for auto insurance to Daniel Yelda. According to the quote, Yelda was to pay \$334 for a twelve month policy through GRE Insurance Group as well as a copy/processing fee of \$39.50 to TIM Insurance.

17. On May 17, 2001, Brown provided Yelda an insurance identification card indicating “binder” coverage with GRE Insurance Group for his 1980 Chevrolet truck effective May 17, 2001 through May 17, 2002.

18. Yelda’s June 17, 2001 application was received by NIA on June 25, 2001. A down payment was not submitted with the application, and on June 27, 2001, NIA sent the application back to TIM Insurance explaining that the returned application dated after May 31, 2001, was not processed and no coverage existed.

19. However, NIA issued policy #004179511 issued on May 17, 2001 to Yelda. The company issued the policy based upon information provided on the copy of the application received and the fact that Brown actually took Yelda’s application and down payment on May 14, 2001. Yelda’s policy was later canceled for nonpayment of premium.

Count III – Roxanne Shamblin

20. On or about September 18, 2001, the Department received a complaint from Roxanne Shamblin (“Shamblin”).

21. On June 26, 2001, Shamblin paid \$385 in cash to Brown and TIM Insurance for auto insurance with AIG which included glass coverage.



1 22. Brown provided Shamblin an insurance identification card indicating that Shamblin had  
2 "binder" coverage through AIG effective June 25, 2001 through June 25, 2002 on her 1997 Chevrolet  
3 Cavalier and 1997 Ford truck.

4 23. Although Brown received Shamblin's application premium on June 25, 2001, AIG did  
5 not received the application for Shamblin until October 9, 2001. AIG issued the policy on October 15,  
6 2001 with effective dates of June 25, 2001 through June 25, 2001.

7 **Count IV – Wells Fargo Bank**

8 24. On February 4, 2000, Wells Fargo Bank, N.A. ("Wells Fargo") filed a civil complaint for  
9 money Wells Fargo Bank, N.A. v. Michael Steven Brown dba Design Insurance Services and Jane Doe  
10 Brown, et al, Case No. CV2000-002402, filed in the State of Arizona, Maricopa County. Wells Fargo  
11 sought to recover a debt from Brown in the amount of \$32,770.58 plus interest, unpaid fees, late charges,  
12 attorney fees and court costs.

13 25. On March 24, 2000, a summons was filed and on March 29, 2000 an order was filed  
14 allowing service of the complaint upon any employee of Brown dba Design Insurance Services.

15 26. On April 5, 2000, Brown was deemed served with the summons and complaint when his  
16 receptionist accepted service.

17 27. A Default Judgment was entered on August 10, 2000 against Brown in the amount of  
18 \$32,770.58 plus \$486 in attorney fees and \$246.77 in court costs.

19 28. On April 7, 2000 the Department received Brown's Insurance License Renewal  
20 Application. Part II, Question E asks, "Are any civil, administrative, other judicial or quasi-judicial  
21 proceedings of any kind, or any criminal proceedings in which an indictment, criminal complaint, or  
22 information has been issued naming you as defendant, currently pending against you in any jurisdiction  
23 based on any of the following:  
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- 1) Misappropriation, conversion or the withholding of moneys?
- 2) Incompetence or a source of injury and/or loss to anyone?
- 3) Dishonesty in business or financial matters?
- 4) Fraud or misrepresentation?
- 5) Any cause arising out of an insurance transaction?"

Brown answered "No" to Part II, Question E, 1-5.

29. On March 30, 2001, the Department received an Insurance License Renewal Application for TIM Insurance. Part II, Question D asks, "Has the applicant or any individual designated in the application as a principal or individual who is to exercise the powers conferred by the oicense had any judgement, order or other determination issued or imposed in any criminal, civil, administrative or other judicial or quasi-judicial proceeding of any kind in any jurisdiction that has not previously been disclosed by you to this agency in a license application based on:

- 1) Misappropriation, conversion or the withholding of moneys?
- 2) Incompetence or a source of injury and/or loss to anyone?
- 3) Dishonesty in business or financial matters?
- 4) Fraud or misrepresentation?
- 5) Any cause arising out of an insurance transaction?"

Brown answered "No" to Part II, Question D, 1-5 of the application.

30. Respondents' conduct, as alleged above, constitutes any cause for which original issuance or any renewal of the license could have been refused, a violation of A.R.S. §20-316(A)(1).

1           31.     Respondents' conduct, as alleged above, constitutes willful violation or willful  
2 noncompliance with any provision of Title 20 or any lawful rule or order of the director within the  
3 meaning of A.R.S. §20-316(A)(2).

4           32.     Respondents' conduct, as alleged above, constitutes misappropriation, conversion or  
5 illegal withholding of monies belonging to policyholders, insurers, beneficiaries or others, in violation of  
6 A.R.S. §20-316(A)(4).

7           33.     Respondents' conduct, as alleged above, constitutes incompetency or a source of injury to  
8 the public or any insurer, a violation of A.R.S. §20-316(A)(7).

9           34.     Respondents' conduct, as alleged above, constitutes a record of dishonesty in business or  
10 financial matters, a violation of A.R.S. §20-316(A)(8).

11           35.     Respondents' conduct, as alleged above, constitutes unfair or deceptive acts or practices,  
12 a violation of A.R.S. §20-442.

13           36.     Respondents' conduct, as alleged above, constitutes fraudulent practice in the  
14 presentation, preparation or belief that it will be presented in oral or written statement that contains  
15 untrue statements of material fact or that fails to state any material fact, a violation of A.R.S. §20-463.

16           37.     Respondents' conduct, as alleged above, constitutes charging or receiving any fee for  
17 services not customarily provided in the transaction of insurance for motor vehicle insurance policies  
18 that insure six or fewer motor vehicles, a violation of A.R.S §20-465(A).

19           38.     Grounds exist for the Director to suspend, revoke or refuse to renew Respondents'  
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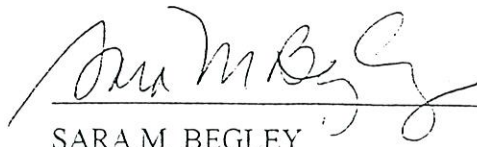
1 licenses, impose a civil penalty upon Respondents and/or order restitution pursuant to A.R.S. § 20-  
2 316(A) and (C).

3 WHEREFORE, if after hearing, the Director makes a finding of one or more of the above-  
4 described allegations, the Director may suspend, revoke or refuse to renew Respondents' insurance  
5 licenses, impose a civil penalty and/or restitution, pursuant to A.R.S. §20-316(A) and (C).

6 Pursuant to A.R.S. §20-150, the Director of Insurance delegates the authority vested in the  
7 Director of Insurance of the State of Arizona, whether implied or expressed, to the Director of the Office  
8 of Administrative Hearings or his designee to preside over the hearing of this matter as the  
9 administrative law judge, to make written recommendations to the Director of Insurance consisting of  
10 proposed findings of fact, proposed conclusions of law, and a proposed order. This delegation does not  
11 include delegation of the authority of the Director of Insurance to make the order on hearing or other  
12 final decision in this matter.

13 Pursuant to A.R.S. §20-1092.01, your hearing will be conducted through the Office of  
14 Administrative Hearings, an independent agency. Please find enclosed a copy of the procedures to be  
15 followed.

16 DATED this 30th day of April 2002.

17  
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19   
20 SARA M. BEGLEY  
21 Deputy Director

22 . . .  
23 . . .  
24 . . .

1 COPY of the foregoing mailed this  
2 1st day of May, 2002, to:

3 Lewis D. Kowal  
4 Administrative Law Judge  
5 Office of Administrative Hearings  
6 1400 West Washington, Suite 101  
7 Phoenix, Arizona 85007

8 Gerrie L. Marks, Executive Assistant for Regulatory Affairs  
9 Mary Butterfield, Assistant Director  
10 Catherine M. O'Neil, Consumer Legal Affairs Officer  
11 Rebecca Sanchez, Supervisor  
12 Bob Hill, Investigator  
13 Arizona Department of Insurance  
14 2910 North 44<sup>th</sup> Street, Suite 210  
15 Phoenix, Arizona 85018

16 Mary D. Kosinski  
17 Assistant Attorney General  
18 1275 West Washington  
19 Phoenix, Arizona 85007  
20 Attorneys for the Department

21 Michael Steven Brown  
22 dba Design Insurance Services  
23 3823 W. Aire Libre  
24 Phoenix, Arizona 85023  
Respondent

Michael Steven Brown  
dba Design Insurance Services  
13201 N. 35<sup>th</sup> Avenue, #B-16  
Phoenix, Arizona 85029  
Respondent

Michael Steven Brown  
P.O. Box 22016  
Mesa, Arizona 85277  
Respondent

1 Michael Steven Brown  
2 dba Design Insurance Services  
3 P.O. Box 22016  
4 Mesa, Arizona 85277  
5 Respondent

6 A courtesy copy of this Notice of Hearing has been mailed/delivered to the persons listed below. If you  
7 are listed below, you will receive no further notices or documents concerning this matter other than the  
8 director's final order. Information about the status of this matter, including whether the hearing date has  
9 been changed, may be obtained by contacting the Department of Insurance at (602) 912-8456 or the  
10 Assistant Attorney General identified above, at (602) 542-3702.

11 Blue Cross Blue Shield of Arizona, Inc.  
12 P.O. Box 13466  
13 Phoenix, Arizona 85002-3466

14 Pacificare Life & Health Insurance Company  
15 23046 Avenida De La Carlotta  
16 Laguna Hills, California 92653-1536

17 Congress Life Insurance Company  
18 10901 Red Circle Drive  
19 Minnetonka, Minnesota 55343-9137

20 Phoenix Indemnity Insurance Company  
21 4041 North Central Avenue, Suite 840  
22 Phoenix, Arizona 85012

23 Deerbrook Insurance Company  
24 2775 Sanders Road  
Northbrook, Illinois 60062-7127

Progressive Paloverde Insurance Company of Arizona  
6300 Wilson Mills Road, W33  
Mayfield Village, Ohio 44143-2182

Guaranty National Insurance Company  
P.O. Box 5365  
Madison, Wisconsin 53705-0365

1 Progressive Preferred Insurance Company  
6300 Wilson Mills Road, W33  
2 Mayfield Village, Ohio 44143-2182  
3 Illinois National Insurance Company  
American International South Insurance Company  
4 70 Pine Street  
New York, New York 10270  
5

6 Provident Life & Accident Insurance Company  
One Fountain Square  
7 Chattanooga, Tennessee 37402

8 Leader Insurance Company  
4100 Harry Hines Boulevard  
9 Dallas, Texas 75219

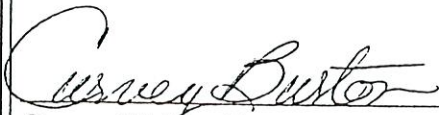
10 Safeway Insurance Company  
790 Pasquinelli Drive  
11 Westmont, Illinois 60559-1254

12 Metropolitan General Insurance Company  
P.O. Box 350  
13 700 Quaker Lane Warwick,  
Rhode Island 02887  
14

15 Victoria Fire & Casualty Company  
5915 Landerbrook Drive, Suite 210  
16 Attention: Assunti Rossi  
Cleveland, Ohio 44124  
17

Progressive Home Insurance Company  
18 300 North Commons Boulevard  
Corporate Law Department  
19 Mayfield Village, Ohio 44143

20 Windsor Insurance Company  
P.O. Box 105091  
21 Atlanta, Georgia 30348

22   
23 Curvey Waters Burton  
24 727425 [ CPA02-061]

*3rd floor*

*Maurice*

STATE OF ARIZONA  
FILED

JUN 30 1995

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPARTMENT OF INSURANCE  
By *[Signature]*

In the Matter of )  
 )  
 MICHAEL STEVEN BROWN, dba )  
 DESIGN INSURANCE SERVICES, )  
 )  
 Respondent. )  
 \_\_\_\_\_ )

Docket No. 8649

ORDER

On May 9, 1995, the Director issued the Order on hearing in this matter supported by findings of fact and conclusions of law (the "Order"). On June 8, 1995, Respondent Michael Steven Brown, dba Design Insurance Services ("Mr. Brown") filed a Request for Rehearing or Review pursuant to A.A.C. R20-6-114(B). In addition, Mr. Brown also submitted a request for a stay along with his request for rehearing. The Department of Insurance (the "Department") filed its response to the Petition on June 26, 1995.

The rehearing request seeks relief on the following grounds: 1) the notice of proceeding #5887 did not satisfy due process requirements where Respondent never received actual notice of that proceed; 2) Respondent did not receive proper notice of the hearing in docket #5887, where he did not receive personal notice; 3) the Department failed to show that Respondent had knowledge of the revocation of his prior license; and 4) Respondent did not misappropriate monies of a policyholder as alleged in proceeding docket #5887.

The rehearing request relies upon four documents (attached as exhibits A, B, C, and D) that were neither offered nor admitted into evidence during the hearing of this matter. At hearing, Mr. Brown had the opportunity to present any evidence he deemed significant to his defense of the allegations he faced. He

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1 also had the opportunity to call the witnesses (who would have  
2 been subject to cross-examination) to offer testimony.

3 For newly discovered evidence to constitute a basis for  
4 the granting of a new trial, the proponent of the evidence must  
5 make a three part showing:

- 6 (1) the newly discovered evidence could not  
7 have been discovered before the granting of  
8 judgment despite the exercise of due diligence,  
9 (2) the evidence would probably change the  
10 result of the litigation, and (3) the new  
11 discovered evidence was in existence at the  
12 time of judgment.

13 Boatman v. Samaritan Health Services, Inc., 168 Ariz. 207, 212,  
14 812, P.2d 1025, 1030 (App. 1990). Mr. Brown has not made the  
15 required showing. At a minimum, Mr. Brown has not demonstrated  
16 that the newly offered evidence was not available to him through  
17 the exercise of reasonable diligence. Therefore, these documents  
18 will not be considered in connection with the resolution of this  
19 matter.

20 The rehearing request, the stay request, the  
21 Department's response to these requests, and the record have been  
22 completely reviewed. From this review, the conclusion has been  
23 made that the May 9, 1995 Order is fully support by law and fact.

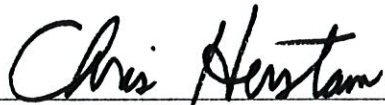
24 THEREFORE, IT IS ORDERED:

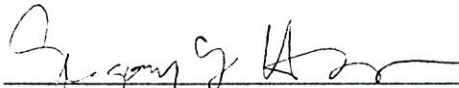
- 25 1. Denying the Request for Rehearing or Review filed by  
26 Respondent Michael Steven Brown, dba Design Insurance Services.

27 . . .  
28 . . .

1                   2. Denying the request for a stay filed by Respondent  
2 Michael Steven Brown, dba Design Insurance Services.

3                   DATED this 30th day of June, 1995.

4  
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6 \_\_\_\_\_  
CHRIS HERSTAM  
Director of Insurance

7  
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9 \_\_\_\_\_  
GREGORY Y. HARRIS  
Chief Administrative Law Judge

10                   NOTICE OF RIGHTS

11                   The aggrieved party may appeal the final decision of the  
12 Director to the Superior Court of Maricopa County by filing an  
13 action for judicial review pursuant to A.R.S. §20-166.

14  
15 COPY of the foregoing mailed/delivered  
16 this 30th day of June, 1995, to:

17 Gay Ann Williams, Deputy Director  
18 Charles R. Cohen, Executive Assistant Director  
19 John Gagne, Manager, Investigations  
20 Arnold Sniegowski, Investigator  
Maureen Catalioto, Supervisor, Licensing  
Department of Insurance  
2910 N. 44th Street, Suite 210  
Phoenix, Arizona 85018

21 Sydney Davis, Chief Counsel  
22 Consumer Protection & Antitrust Section  
Office of the Arizona Attorney General  
1275 W. Washington, Room 259  
23 Phoenix, Arizona 85007

24 Gregory O. Hing  
25 Stockton & Hing  
6609 N. Scottsdale Rd.  
26 Scottsdale, AZ 85250-7801

27   
28 \_\_\_\_\_  
chris Crawford