

1 quasi-judicial proceeding of any kind in any jurisdiction that has not previously been disclosed by you
2 to this agency in a license application based on any of the following: (1) Misappropriation, conversion
3 or the withholding of moneys? (2) Incompetence or a source of injury and/or loss to anyone? (3)
4 Dishonesty in business or financial matters? (4) Fraud or misrepresentation? (5) Any cause arising out
5 of an insurance transaction?

6 6. Respondent answered "No" to Questions D, 1 through 5 on the 1998 Application.

7 7. The 1998 Application included an Applicant Certification that stated "By my signature
8 below, I hereby certify that the information recorded on all arts of this application and on all
9 attachments and enclosures herewith, is true and correct to the best of my knowledge." This
10 certification was signed by Respondent on December 29, 1998.

11 8. On or about September 21, 1998, Respondent signed a Letter of Acceptance, Waiver and
12 Consent (AWC) in Case No. C3A980068 to resolve a pending matter before the NASD Regulation, Inc.
13 The AWC was accepted by the NASD on December 7, 1998.

14 9. In the AWC entered into with the NASD, Respondent accepted and consented to the
15 NASD findings without admitting or denying the allegations that Respondent had entered two private
16 securities transactions involving the sale of unregistered securities and without giving his employer
17 written notice of his activities.

18 10. Under the terms of the AWC, Respondent consented to the imposition of a maximum
19 fine of \$50,000 that would be suspended unless Respondent sought to become an NASD member again
20 or associated with an NASD member in any capacity.

21 11. Respondent failed to disclose the AWC that he entered with the NASD in Case No.
22 C3A980068 on his 1998 Application.

1 12. On or about January 4, 2001, Respondent filed an Application (2001 Application) with
2 the Department to renew his life and disability insurance producer license.

3 13. Part II, Question B of the 2001 Application asks “Have you had any professional,
4 vocational, business license or certification refused, denied, suspended, revoked or restricted, or a fine
5 imposed by any public authority that has not previously been disclosed by you to this agency in a
6 license application?”

7 14. Respondent answered “No” to question B on the 2001 Application.

8 15. Part II, Questions D, 1 through 5, on the 2001 Application asks “Have you had any
9 judgment, order or other determination, including any conviction issued or made against you in any
10 criminal, civil, administrative or other judicial or quasi-judicial proceeding of any kind in any
11 jurisdiction that has not previously been disclosed by you to this agency in a license application based
12 on any of the following: (1) Misappropriation, conversion or the withholding of moneys? (2)
13 Incompetence or a source of injury and/or loss to anyone? (3) Dishonesty in business or financial
14 matters? (4) Fraud or misrepresentation? (5) Any cause arising out of an insurance transaction?”

15 16. Respondent answered “No” to Questions D, 1 through 5, on the 2001 Application.

16 17. The 2001 Application included an Applicant Certification that stated “By my signature
17 below, I hereby certify that the information recorded on all parts of this application and on all
18 attachments and enclosures herewith, is true and correct to the best of my knowledge.” This
19 certification was signed by Respondent on December 29, 2000.

20 18. Respondent failed to disclose the AWC he entered into with the NASD in Case No.
21 C3A980068 on his 2001 Application.

22 19. On or about December 14, 2000, the Arizona Corporation Commission (ACC) filed an
23 Order to Cease and Desist, Order for Administrative Penalties and Consent to Same In the Matter of
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1 Robert Scalzi, Docket No. S-03433A-00-000, Decision No. 63244. The ACC found that Respondent
2 offered or sold securities that were neither registered nor exempt from registration and ordered
3 Respondent to permanently cease and desist from violating the Securities Act and to pay an
4 administrative penalty of \$10,000 plus interest.

5 20. In the ACC Order, Respondent agreed not to take any action or to make, or permit to be
6 made, any public statement denying, directly or indirectly, any Finding of Fact or Conclusion of Law in
7 the Order or creating the impression that the Order was without factual basis.

8 21. Respondent failed to disclose the ACC Order In the Matter of Robert Scalzi, Docket No.
9 S-03433A-00-000, Decision No. 63244 on his 2001 Application.

10 22. Respondent represented to the Department that he has not sold insurance since the
11 NASD and ACC actions against him and he did not realize that he failed to appropriately disclose these
12 matters on his 1998 Application and his 2001 Application.

13 23. Respondent requested that the Director accept the voluntary surrender of his license
14 pursuant to A.R.S. §20-289(F).

15 CONCLUSIONS OF LAW

16 1. The Director has jurisdiction over this matter.

17 2. Respondent's conduct constitutes providing incorrect, misleading, incomplete or
18 materially untrue information in the license application, within the meaning of A.R.S. §20-295(A)(1).

19 3. Respondent's conduct constitutes the violation of any provision of this title, or any rule,
20 subpoena or order of the director, within the meaning of A.R.S. §20-295(A)(2).

21 4. Respondent's conduct constitutes obtaining or attempting to obtain a license through
22 misrepresentation or fraud, within the meaning of A.R.S. §20-295(A)(3).

1 3. Respondent is aware of his right to notice and a hearing at which he may be represented
2 by counsel, present evidence and examine witnesses. Respondent irrevocably waives his right to such
3 notice and hearing and to any court appeals relating to this Consent Order.

4 4. Respondent states that no promise of any kind or nature whatsoever, except as expressly
5 contained in this Consent Order, was made to him to induce him to enter into this Consent Order and
6 that she has entered into this Consent Order voluntarily.

7 5. Respondent acknowledges that the acceptance of this Consent Order by the Director is
8 solely to settle this matter against him and does not preclude any other agency, officer, or subdivision
9 of this state from instituting civil or criminal proceedings as may be appropriate now or in the future.

11 8.26.02
 Date

 Robert Scalzi
 License Number 2251

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14 COPIES of the foregoing mailed/delivered
 this 4th day of September , 2002, to:

15 Robert Scalzi
16 6626 E. Morning Vista Lane
16 Scottsdale, AZ 85262

17 Health Net of Arizona, Inc.
18 2800 North 44th Street, Suite 900
18 Phoenix, AZ 85018

19 Jackson National Life Insurance Company
20 One Corporate Way
20 Lansing, MI 48951

21 Lincoln Benefit Life Insurance Company
22 O. O. Box 80469
22 Lincoln, NE 68501

1 Sara M. Begley, Deputy Director
Gerrie L. Marks, Executive Assistant for Regulatory Affairs
2 Mary M. Butterfield, Assistant Director
Catherine M. O'Neil, Consumer Legal Affairs Officer
3 Rebecca Sanchez, Licensing Administrator
Robert Hill, Investigator
4 Arizona Department of Insurance
2910 North 44th Street, Suite 210
5 Phoenix, AZ 85018

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Curvey Waters Burton

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