

MAR 18 2003

DEPT. OF INSURANCE
BY CB

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:

No. 03A-010-INS

**MARVIN LEROY BECKMAN AND
PLANNED ESTATE CONSULTANTS,
INC.**

**FINDINGS OF FACT, CONCLUSIONS
OF LAW AND ORDER**

Respondents.

On February 7, 2003, the Arizona Department of Insurance ("Department") issued a Notice of Hearing (the "Notice") in the above-captioned matter, a copy of which is attached and incorporated by this reference. The Notice required Marvin Leroy Beckman and Planned Estate Consultants, Inc. (collectively "Respondents") to provide a written answer to the allegations set forth in the Notice within twenty days of the issuance of the Notice. As of this date, Respondents have failed to file an answer.

On March 17, 2003, counsel for the Department filed a Request for Default, and Proposed Findings of Fact, Conclusions of Law and Order. As of this date, Respondents have not responded to the Department's request. Pursuant to A.A.C. R20-6-106(D), a party that fails to file an answer within the time provided shall be deemed to be in default and one or more of the allegations in the Notice of Hearing may be deemed to be admitted.

FINDINGS OF FACT

1. Notice was proper.
2. Respondents are in default.
3. The allegations in the Notice are deemed admitted.

CONCLUSIONS OF LAW

1. The conduct alleged in the Notice constitutes grounds for the Director to suspend, revoke or refuse to renew Respondents' licenses to transact insurance in Arizona, pursuant to A.R.S. §20-295 (A), (B) and (F).

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ORDER

IT IS ORDERED:

1. The insurance licenses held by Respondents are revoked effective upon the issuance of this Order.

2. The hearing set for March 25, 2003, at 9:00 a.m. shall be vacated.

DATED this 17th day of March, 2003.



CHARLES R. COHEN, Director
Arizona Department of Insurance

COPY of the foregoing mailed this
18th day of March, 2003, to:

Casey Newcomb, Administrative Law Judge
Office of Administrative Hearings
1400 West Washington, Suite 101
Phoenix, Arizona 85007

Mary E. Kosinski
Assistant Attorney General
1275 West Washington
Phoenix, Arizona 85007
Attorney for the Department

Marvin Leroy Beckman
2625 S. Playa
Mesa, Arizona 85202
Respondent

Marvin Leroy Beckman
c/o Planned Estates Consultants, Inc.
9520 E. Balsam
Mesa, Arizona 85208
Respondent

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

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7 783001 [CPA02-192]

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STATE OF ARIZONA

Feb 7 2003

DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY Kath

In the Matter of:)
)
4 MARVIN LEROY BECKMAN AND)
PLANNED ESTATE CONSULTANTS,)
5 INC.,)
)
6 Respondents.)
)
7 _____)

No. 03A-010-INS

NOTICE OF HEARING

Consumer Protection &
Advocacy Section

FEB 12 2003

RECEIVED

PLEASE TAKE NOTICE that pursuant to the provisions of Arizona Revised Statutes ("A.R.S.") §§ 20-161 through and including 20-165, and 41-1092 *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 25th day of March, 2003, 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.

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

Pursuant to A.R.S. §41-1092.07(E), a clear and accurate record of the proceedings will be made

1 by a court reporter or by electronic means. Any party that requests a transcript of the proceeding shall
2 pay the cost of the transcript to the court reporter or other transcriber.

3 Questions concerning issues raised in this Notice of Hearing should be directed to Assistant
4 Attorney General Mary E. Kosinski, (602) 542-8830, 1275 West Washington, Phoenix, Arizona
5 85007.

6 NOTICE OF APPLICABLE RULES

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

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

22 PERSONS WITH DISABILITIES MAY REQUEST REASONABLE ACCOMMODATIONS
23 SUCH AS INTERPRETERS, ALTERNATIVE FORMATS, OR ASSISTANCE WITH PHYSICAL
24 ACCESSIBILITY. REQUESTS FOR ACCOMMODATIONS SHOULD BE MADE AS EARLY
25 AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATIONS. IF YOU
26 REQUIRE ACCOMMODATIONS, PLEASE CONTACT THE OFFICE OF ADMINISTRATIVE

1 HEARINGS AT (602) 542-9826.

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

3 1. Respondent, Marvin Leroy Beckman ("Beckman") is currently, and was at all times
4 material, licensed as a life and disability insurance producer in the State of Arizona, license number
5 8246. That license expires on January 31, 2005.

6 2. Planned Estate Consultants, Inc. ("Planned Estates") is currently, and was at all times
7 material, licensed as a life and disability insurance agency in the State of Arizona, license number
8 30638. Beckman is its President.

9 3. On December 14, 1998, the Arizona Corporation Commission, Securities Division
10 ("ACC") filed an Opinion and Order, In the Matter of The Securities Offering by: European Marketing
11 Group, L.C.; Charles Cox; David Kimmel; Charles Gregory; Planned Estate Consultants, Inc. and
12 Marvin Beckman, Decision No. 61291 against Beckman and Planned Estates for selling unregistered
13 securities selling securities, without a securities dealer or salesman registration and violating the
14 Investment Management Act of Arizona. The ACC ordered Beckman and Planned Estates to cease
15 and desist from securities violations, pay administrative penalties in the amount of \$24,000, pay
16 restitution to the investors up to the amount of \$723,615.17 as well as an additional \$41,366.65 which
17 reflected Beckman's commissions earned from the investments.

18 4. On December 22, 1998, Beckman submitted an Insurance License Renewal Application
19 for license number 8246 with the Arizona Department of Insurance (the "Department"). Part II (D)
20 of the December, 1998 application asks :

21 Have you had any judgment, order or other determination, including any criminal
22 conviction issued or made against you in any criminal, civil, administrative or other
23 judicial or quasi-judicial proceeding of any kind in any jurisdiction that has not
previously been disclosed to you to this agency in a license application based on any
of the following:

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

1 Beckman answered, "No" to Part II(D), questions 1-5.

2 5. On April 9, 1999, the Department received Planned Estates' Insurance License Renewal
3 Application for a firm/corporation, license number 30638. Part II(D) of the April, 1999 application
4 asks:

5 Has the applicant or any individual designated in the application as a member, officer,
6 director or individual who is to exercise the powers conferred by the license had any
7 judgment, order or other determination, issued or imposed in any criminal, civil,
8 administrative or other judicial or quasi-judicial proceeding of any kind in any
9 jurisdiction that has not previously been disclosed by you to this agency in a license
10 application based on any of the following:

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

16 Beckman answered "No" to Part II(D), questions 1-5.

17 6. On or about December 19, 2000, Beckman submitted an Insurance License Renewal
18 Application, for license number 8246. Part II(D) of the December, 2000 application asks:

19 Have you had any judgment, order or other determination, including any criminal
20 conviction issued or made against you in any criminal, civil, administrative or other
21 judicial or quasi-judicial proceeding of any kind in any jurisdiction that has not
22 previously been disclosed to you to this agency in a license application based on any
23 of the following:

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

27 Beckman answered, "No" to Part II(D), questions 1-5.

28 7. On or about April 10, 2001, the Department received Planned Estates' Insurance
29 License Renewal Application for a firm/corporation, license number 30638. Part II(D) of the April,
30 2001 application asks:

31 Has the applicant or any individual designated in the application as a member, officer,
32 director or individual who is to exercise the powers conferred by the license had any
33 judgment, order or other determination, issued or imposed in any criminal, civil,

1 administrative or other judicial or quasi-judicial proceeding of any kind in any
2 jurisdiction that has not previously been disclosed by you to this agency in a license
application based on any of the following:

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

6 Beckman answered, "No" to Part II(D), questions 1-5.

7 8. Beckman's conduct, as alleged above, constitutes providing incorrect, misleading,
8 incomplete or materially untrue information in the license application, a violation of A.R.S. § 20-
9 295(A)(1).

10 9. Beckman and Planned Estates' conduct, as alleged above, constitutes obtaining or
11 attempting to obtain a license through misrepresentation or fraud, a violation of A.R.S. § 20-
12 295(A)(3).

13 10. Beckman and Planned Estates' conduct, as alleged above, constitutes using fraudulent,
14 coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial
15 irresponsibility in the conduct of business in this state or elsewhere, a violation of A.R.S. § 20-
16 295(A)(8).

17 11. Grounds exist for the Director to suspend, revoke, or refuse to renew Beckman and
18 Planned Estates' insurance licenses, impose a civil penalty upon him and/or order restitution pursuant
19 to A.R.S. § 20-295(A), (B) and (F).


20 WHEREFORE, if after hearing, the Director makes a finding of one or more of the above-
21 described allegations, the Director may suspend, revoke or refuse to renew Beckman's and Planned
22 Estates' insurance licenses, impose a civil penalty and/or restitution, pursuant to A.R.S. §20-
23 295(A),(B) and (F).

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

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

4 Pursuant to A.R.S. §41-1092.01, your hearing will be conducted through the Office of
5 Administrative Hearings, an independent agency. Please find enclosed a copy of the procedures to be
6 followed.

7 DATED this 7th day of February, 2003.

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9 
10 SARA M. BEGLEY, Deputy Director
Arizona Department of Insurance

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1 COPY of the foregoing mailed this
2 7th day of February, 2003, to:

3 Casey Newcomb, Administrative Law Judge
4 Office of Administrative Hearings
5 1400 West Washington, Suite 101
6 Phoenix, Arizona 85007

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

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

21 Marvin Leroy Beckman
22 2625 S. Playa
23 Mesa, Arizona 85202
24 Respondent

25 Marvin Leroy Beckman
26 c/o Planned Estates Consultants, Inc.
9520 E. Balsam
Mesa, Arizona 85208
Respondent

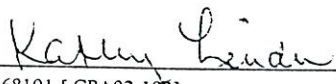
19 A courtesy copy of this Notice of Hearing has been mailed/delivered to the persons listed
20 below. If you are listed below, you will receive no further notices or documents concerning this matter
21 other than the director's final order. Information about the status of this matter, including whether the
22 hearing date has been changed, may be obtained by contacting the Department of Insurance at (602)
23 912-8454 or the Assistant Attorney General identified above, at (602) 542-3702.

22 Delta Life and Annuity Company
23 PO Box 3545
24 Topeka, Kansas 66601

24 Columbus Life Insurance Company
25 PO Box 5737
26 Cincinnati, Ohio 45201-5737

26 ...

- 1 Conseco Annuity Assurance Company
11815 North Pennsylvania Street
- 2 Carmel, Indiana 46032
- 3 American National Insurance Company
One Moody Plaza
- 4 Galveston, Texas 77550-7999
- 5 American Equity Life Insurance Company
PO Box 650
- 6 Novato, California 94948
- 7 Jackson National Life Insurance Company
One Corporate Way
- 8 Lansing, Michigan 48951
- 9 CGU Life Insurance Company of America
108 Myrtle Street
- 10 North Quincy, Massachusetts 02171
- 11 Security-Connecticut Life Insurance Company
20 Washington Avenue South
- 12 Minneapolis, Minnesota 55401
- 13 SunAmerica Life Insurance Company
1 SunAmerica Center
- 14 Century City, California 90067-6022

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