STATE OF ARIZONA

OCT 3 1 2003

STATE OF ARIZONA

DEPT.	OF INSTRANCE
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DEPARTMENT OF INSURANCE

	In the Matter of:)
	Gary Pryor Mason,) No. 03A-173-INS)
	Respondent.	ONSENT ORDER OUTPOS
The State of Arizona Department of Insurance ("Department") has rec		
that Gary Pryor Mason ("Respondent") violated provisions of Title 20, Arizon		

The State of Arizona Department of Insurance ("Department") has received evidence that Gary Pryor Mason ("Respondent") violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

- Respondent is, and was at all material times licensed as a resident accident/life/health and property/casualty producer, Arizona license number 73964, which license expires October 31, 2004.
- 2. On or about April 16, 2001, CDS Insurance Agency LLC (CDS) contracted with Respondent to sell insurance in the state of Arizona on its behalf. Respondent sold insurance for Zurich North America as well as for other insurers from his office located at the CDS agency office. CDS terminated Respondent's contract on June 23, 2003.

Count I

On August 9, 2002, Respondent completed an insurance application for
 Shawnee Properties, Inc. who issued an insurance premium check #1085 made payable to

Gary Mason in the amount of \$2,250.00 for property insurance coverage. Shawnee Properties paid the premium on behalf of KJB Investments.

- 4. Respondent deposited the check into his Bank of America account #000274751946 on August 9, 2002. Respondent is the sole signatory on the account.
- 5. Also on August 9, 2002, Respondent issued KJB Investments a fictitious

 Declarations of insurance for policy number 99508096 naming Zurich Assurance Company of

 America as the insurer and indicating that a premium in the amount of \$2,250.00 had been

 paid to Respondent for the coverage. Respondent signed the Declarations page.
- 6. Respondent had no authority to issue Certificates of Insurance and/or Declarations of Insurance. That role is reserved for CDS after the agency receives the application and premium.
- 7. Respondent failed to remit the premium and application to CDS or Zurich
 Assurance Company of America but converted the premium money for his own use due to
 personal financial problems and discarded the application in the trash.

Count II

- 8. On August 9, 2002, Respondent received \$250.00 in cash from Steve's Tree Service as an insurance premium for general liability insurance. Respondent issued receipt #0962 to Steve's Tree Service for \$250.00 cash.
- 9. On August 9,2002, Respondent issued a fictitious Certificate of Liability insurance to Steve's Tree Service naming Interstate First Casualty as the insurer.

 Respondent wrote in "Binder" under Policy Number and he signed the Certificate.

 Respondent signed the certificate.
 - 10. Respondent failed to remit the premium to CDS or Interstate First Casualty but

converted the premium money for his own use due to personal financial problems.

Respondent never completed or submitted an application to CDS or Interstate First Casualty.

Count III

- 11. On February 3, 2003, Respondent completed an application for Jacob Kost who issued an insurance premium check #1010 made payable to Gary Mason in the amount of \$3,250.00 for Builders Risk insurance coverage.
- 12. Respondent signed a receipt stating that Kost paid him \$3,250.00 by check #1010 on February 3, 2003. Respondent deposited the check into his Bank of America account number #000274751946 on February 3, 2003.
- 13. Also on February 3, 2003, Respondent issued a fictitious Declarations of Insurance to Jacob Kost for policy number 99508096 naming Zurich Assurance Company of America as the insurer and indicating that Kost paid \$3,250.00 to Respondent for Builder's Risk Commercial coverage. Respondent signed the Declarations page.
- 14. Respondent failed to remit the premium and application to CDS or Zurich

 Assurance Company of America but converted the premium money for his own use due to

 personal financial problems and discarded the application in the trash.

CONCLUSIONS OF LAW

- 1. The Director has jurisdiction over this matter.
- 2. Respondent's conduct as described above constitutes the use of fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere within the meaning of A.R.S.§20-295(A)(8).

- 3. Respondent's conduct as described above constitutes having admitted or been found to have committed any insurance unfair trade practice or fraud within the meaning of A.R.S.§20-295(A)(7).
- 4. Respondent's conduct as described above constitutes the improper withholding, misappropriation or conversion of any monies or properties received in the course of doing insurance business within the meaning of A.R.S.§20-295(A)(4).
- 5. Respondent's conduct as described above constitutes the intentional misrepresentation of the terms of an actual or proposed insurance contract or application for insurance within the meaning of A.R.S.§20-295(A)(5).
- 6. Grounds exist for the Director to suspend, revoke, or refuse to renew Respondent's insurance license, impose a civil penalty and/or order restitution pursuant to A.R.S. §§20-295(A)&(G).

ORDER

IT IS HEREBY ORDERED THAT Respondent's license is revoked effective immediately upon entry of this Order.

DATED AND EFFECTIVE this 3/ day of October, 2003.

GERMAINE L. MARKS

Acting Director for Regulatory Affairs

CONSENT TO ORDER

- Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law 1. and Order.
- Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, 2. and admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and Order.
- Respondent is aware of his right to notice and a hearing at which he may be 3. represented by counsel, present evidence and examine witnesses. Respondent irrevocably waives his right to such notice and hearing and to any court appeals relating to this Consent Order.
- Respondent states that no promise of any kind or nature whatsoever, except as 4. expressly contained in this Consent Order, was made to him to induce him to enter into this Consent Order and that he has entered into this Consent Order voluntarily.
- Respondent acknowledges that the acceptance of this Consent Order by the 5. Director 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.

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1	COPIES of the foregoing mailed/delivered this <u>31st</u> day of <u>October</u> , 2003, to:
2	tills <u>sist</u> day of <u>October</u> , 2003, to.
3	Gary Pryor Mason 4518 E. Kelton Lane
4	Phoenix, AZ 85032
5	Catherine M. O'Neil, Consumer Legal Affairs Officer Rebecca Sanchez, Licensing
6	Arnold Sniegowski, Investigations Supervisor Bob Hill, Investigator
7	Department of Insurance 2910 North 44 th Street, Suite 210
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