STATE OF ARIZONA

NOV 2 4 2003

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

In the Matter of:)	
VICTOR CORTINAS GARZA,) No. 03A	- ₁₉₁ - INS
) CONSE	NT ORDER
Respondent.)	
)	

The State of Arizona Department of Insurance ("Department") has received evidence that Victor Cortinas Garza ("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

- 1. Respondent is, and was at all material times licensed as a resident accident/ health/life producer, Arizona license number 15055, which license expires March 31, 2005.
- 2. On or about March 16, 1999, in Civil Action Number 399 CV 0571-R, SEC v. Cook, et. al., the United States District Court for the Northern District of Texas, Dallas Division, entered an Order Appointing Temporary Receiver in which it appointed Lawrence J. Warfield as Receiver and authorized Warfield to institute proceedings that might be necessary for the protection and collection of the assets involved in the suit. Pursuant to Order Regarding Petition Number 64 entered on March 12, 2001, the Court authorized the Receiver to institute the lawsuit in Lawrence J. Warfield v. Marvin Beckman, et. al., Civil Action Number 3-0ICV0481-R.

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- 3. Respondent was named as a Defendant in <u>Lawrence J. Warfield</u>, as <u>Receiver for Dennel Finance Limited v. Marvin Beckman</u>, et al., Case No3-01CV0481-R in the United States District Court for the Northern District of Texas, Dallas Division filed on March 12, 2001.
- 4. The Complaint alleged that a complex Ponzi scheme was developed and carried out by the Defendants and that the Defendants induced hundreds of investors to invest in the Dennel Trading Program by promising high returns when most of the money received from the investors was used by the Defendants for personal and unauthorized uses, including making Ponzi payments to existing investors with finds provided by new investors. The Defendants recruited various persons, including the Respondent, to serve as brokers in soliciting new investors.
- 5. The Respondent was a broker for the Dennel Trading Company and received a distribution of Dennel Investor Funds estimated at \$65,765.32. The entire estimated amount for all defendants involved in the scheme was \$2,378.040.74.
- 6. The Respondent was charged in the original complaint with Conversion, Unjust Enrichment, Civil Conspiracy, Breach of Fiduciary Duty, Fraud, Negligent Misrepresentation and violations of the Securities Laws.
- 7. The Respondent denied all of the charges enumerated in the Complaint in his Response.
- 8. Trial in Respondent's case came before the Court on May 8, 2002 and a Final Judgment Against Victor Garza on the charge of Fraudulent Transfers was ordered with the recovery of \$65,765.32 plus post-judgment interest and an execution issued for the Judgment. The Final Judgment was signed by the Honorable Jerry Buchmeyer, United States District Court Judge on May 9, 2002.

- 9. The Respondent applied for a renewal of his Accident/ Health/Life licenses. In a letter dated March 7, 2003, Respondent submitted documents from the above-mentioned civil suit to the ADOI Licensing Division along with his statement that he had offered \$10,000 to settle with the attorney and avoid the suit and his offer had been rejected. The Respondent also informed the Licensing Division that following entry of the judgment, he had been appointed by CNA and Shenandoah Life Insurance after disclosing the Judgment.
- 10. On or about May 23, 2003, the ADOI investigator contacted Respondent at his home phone of record and Respondent confirmed that he had not paid any of the judgment ordered and had no ability to do so.

CONCLUSIONS OF LAW

- 1. The Director has jurisdiction over this matter.
- 2. Respondent's conduct as described above constitutes using 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. 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) and 20-295(G)

ORDER

IT IS HEREBY ORDERED THAT Respondent's license is suspended for 90 days effective thirty days from the date of this Order.

DATED AND EFFECTIVE this 24th day of Movember 2003.

CHRISTINA URIAS
Director of Insurance

CONSENT TO ORDER

- Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.
- Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and Order.
- 3. Respondent is aware of her right to notice and a hearing at which she may be represented by counsel, present evidence and examine witnesses. Respondent irrevocably waives her right to such notice and hearing and to any court appeals relating to this Consent Order.
- 4. Respondent states that no promise of any kind or nature whatsoever, except as 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.
- 5. Respondent acknowledges that the acceptance of this Consent Order by the Director is solely to settle this matter against him and does not preclude any other agency,

1	officer, or subdivision of this state from instituting civil or criminal proceedings as may		
2	appropriate now or in the future.		
3			
4	11/10/03 Date Victor Cortinas Garza Victor Cortinas Victor Cortin		
5	License Number 15055		
6	COPIES of the foregoing mailed/delivered		
7	this 24th day of November, 2003, to:		
8	Victor Cortinas Garza		
9	23205 South 132 nd Street Chandler, Arizona 85249		
10	Chandler, Anzona 03243		
11	Gerrie L. Marks, Acting Deputy Director of Regulatory Affairs Catherine M. O'Neil, Consumer Legal Affairs Officer		
12	Rebecca Sanchez, Licensing Arnold Sniegowski, Investigations Supervisor		
13	Helene Tomme Department of Insurance		
14	2910 North 44 th Street, Suite 210 Phoenix, Arizona 85018		
15	1822 A Buston		
16	Curvey Walters Burton		
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