

JUN 10 2005

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY CB

In the Matter of:

ROBERT J. STEARNS,

Respondent.

No. 05A-068 - INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that Robert J. Stearns ("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 non-resident property & casualty insurance producer, Arizona license number 184560, which license expires September 30, 2006.
2. In 2004, the New York State Attorney General's Office filed a Felony Complaint in the Criminal Court of the City of New York, Docket No. 2005NY001549. The complaint charged Respondent with Scheme to Defraud In the First Degree, a Class E Felony.
3. On or about January 4, 2005, Respondent pled guilty to Scheme to Defraud In the First Degree, a Class E Felony, pursuant to a plea agreement with the New York State Attorney General's Office. The conviction was based upon Respondent's participation in a scheme in which he and others instructed certain insurance companies to submit not-competitive bids for insurance business as part of a deceptive bidding process designed to ensure that certain other insurance companies would win the business, and which resulted in

insurance clients being tricked and deceived.

4. On or about January 6, 2005, Respondent signed a Waiver of Indictment in Docket No. 2005NY001549 and consented to be prosecuted for Scheme to Defraud In the First Degree, a Class E Felony.

5. On or about January 7, 2005, Respondent entered into Stipulation No. 2005-0001-S with the State of New York Insurance Department for the surrender and revocation of his insurance license based on his felony conviction.

CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.
2. Respondent's conduct as described above constitutes having been convicted of a felony within the meaning of A.R.S. §20-295(A)(6).
3. 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).
4. Respondent's conduct as described above constitutes having an insurance producer license revoked in any other state within the meaning of A.R.S. §20-295(A)(9).
5. 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), 20-295(F) & 20-295(G).

ORDER

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

DATED AND EFFECTIVE this 9th day of June, 2005.




CHRISTINA URIAS
Director of Insurance

CONSENT TO ORDER

1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.
2. 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 his right to notice and a hearing at which he may be 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.
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, officer, or subdivision of this state from instituting civil or criminal proceedings as may be

appropriate now or in the future.

3 June 2005
Date


Robert J. Stearns
License Number 184560

COPIES of the foregoing mailed/delivered
this 10th day of June, 2005, to:

Robert J. Stearns
c/o K. Ann McDonald
of Robinson Murphy & McDonald
100 Park Ave.
New York, NY 10017

Gerrie L. Marks, Deputy Director
Catherine M. O'Neil, Consumer Legal Affairs Officer
Steve Fromholtz, Licensing
Arnold Sniegowski, Investigations Supervisor
Bob Hill, Investigator
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