

FEB 23 2007

DEPT OF INSURANCE
BY CB

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:)
)
4 **LONNIE RAY MILEY,**)
)
5 Respondent.)
)
6 _____)

No. 07A-049-INS

CONSENT ORDER

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

FINDINGS OF FACT

12
13 1. Respondent is and was, at all times material, licensed as a resident life and
14 accident / health insurance producer, Arizona license number 41699 which expires on October
15 31, 2007. Respondent was formerly licensed as a variable life/variable annuities producer.
16 That license expired on October 31, 2001.

17 2. Respondent's business and residence address of record with the Department is:
18 16600 N. Thompson Peak, #1017, Scottsdale, AZ 85260. Respondent's mailing address of
19 record with the Department is: 140 Wark Worth Ln., Inverness, IL 60067.

20 2. In 2004, Respondent sold an Allianz Life Insurance Company of North America
21 (Allianz) annuity, policy number 70161242, in the amount of \$86,315.82, to Stephen M. Loaiza
22 (Loaiza). Respondent signed Loaiza's signature to the policy application without his
23 knowledge or consent.

1 3. Loaiza was also the trustee of The Stephanie Greene Estate (Estate).

2 Respondent advised Loaiza to invest the estate money for the three minor beneficiaries of the
3 Estate. Loaiza made two checks payable to Respondent drawn on the Estate of Stephanie
4 Greene, Stephen M. Loaiza, Trustee, Wells Fargo Bank, N.A., account number *****3882.
5 The first check was for \$20,000, check number 5002 dated July 30, 2004. The second check
6 was for \$30,000, number 5034, dated September 13, 2004. Respondent endorsed both of the
7 checks and deposited them into his Citibank business account. Respondent told Loaiza that
8 he sent the money to Allianz and the annuities issued, when in fact, Respondent failed to
9 submit an annuity application to any insurer but instead spent the money for personal living
10 expenses and for gambling.

11 4. In 2005, Loaiza advised Respondent that the Stephanie Greene Trust was to be
12 closed and he would have additional funds to invest. Loaiza sent Respondent a cashier's
13 check, number 4482889094, dated January 24, 2006 in the amount of \$60,000, from the FNB
14 Bank made payable to Respondent. Respondent endorsed the check and deposited it into his
15 Citibank business account. Respondent advised Loaiza that he sent the \$60,000 to Allianz for
16 annuities for the minor beneficiaries. Respondent failed to submit an annuity application to
17 any insurer but instead spent the money for personal living expenses and for gambling.

18 5. On June 3, 2005 and on June 23, 2005, Loaiza gave Respondent two additional
19 checks numbered 5279 in the amount of \$50,000 and 5285 in the amount of \$25,000 made
20 payable to Respondent drawn on The Stephen M. Loaiza Living Trust DTD, for Stephen
21 Loaiza, Wells Fargo Bank, account number *****1103, to purchase Allianz MasterDex 10
22 Annuities for Stephen M. Loaiza. Respondent endorsed both of the checks and deposited
23

1 them into his Citibank business account. Respondent failed to submit an annuity application
2 to any insurer but instead spent the money for personal living expenses and for gambling. In
3 an attempt to conceal his actions, Respondent manufactured fictitious investment accounting
4 documents bearing Allianz' letterhead and gave them to Loaiza.

6 **CONCLUSIONS OF LAW**

7 1. The Director has jurisdiction over this matter.

8 2. Respondent's conduct as described above constitutes violating any provision of
9 Title 20 within the meaning of A.R.S. § 20-295(A) (2).

10 3. Respondent's conduct as described above constitutes the use of fraudulent,
11 coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial
12 irresponsibility in the conduct of business in this state or elsewhere within the meaning of
13 A.R.S. §20-295(A) (8).

14 4. Respondent's conduct as described above constitutes the improper withholding,
15 misappropriation or conversion of any monies or properties received in the course of doing
16 insurance business within the meaning of A.R.S. §20-295(A) (4).

17 5. Respondent's conduct as described above constitutes forging another's name to
18 any document related to an insurance transaction within the meaning of A.R.S. §20-295(A)
19 (9).

20 7. Grounds exist for the Director to suspend, revoke, or refuse to renew
21 Respondent's insurance license, impose a civil penalty and/or order restitution pursuant to
22 A.R.S. §§20-295(A) & (F).
23

1 **ORDER**

2 IT IS HEREBY ORDERED THAT:

3 1. Respondent's license is revoked effective immediately upon entry of this
4 Order.

5 2. Respondent shall make immediate restitution in the amount of \$110,000
6 (one hundred ten thousand dollars) to The Stephanie Greene Estate and \$75,000 to The
7 Stephen M. Loaiza Living Trust DTD.

8
9 DATED AND EFFECTIVE this 22nd day of February, 2007.

10
11 
12 CHISTINA URIAS
13 Director of Insurance

14 **CONSENT TO ORDER**

15
16 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law
17 and Order.

18 2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona,
19 and admits the foregoing Findings of Fact and consents to the entry of the foregoing
20 Conclusions of Law and Order.

21 3. Respondent is aware of his right to notice and a hearing at which he may be
22 represented by counsel, present evidence and examine witnesses. Respondent irrevocably
23

1 waives his right to such notice and hearing and to any court appeals relating to this Consent
2 Order.

3 4. 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
5 Consent Order and that he has entered into this Consent Order voluntarily.

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

10
11 2/17/07
Date

Lonnie Ray Miley
Lonnie Ray Miley, License Number 41699

12
13 COPIES of the foregoing mailed/delivered
14 this 23rd day of February, 2007, to:

15 Lonnie Ray Miley
16 1017 N. Thompson Peak Parkway
17 Scottsdale, AZ 85260

18 Mary E. Kosinski, Executive Assistant for Regulatory Affairs
19 Terry Cooper, Assistant Director
20 Catherine M. O'Neil, Consumer Legal Affairs Officer
21 Steve Fromholtz, Licensing Supervisor
22 Arnold Sniegowski, Investigations Supervisor
23 Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

Curvey Buxton