STATE OF ARIZONA FILED

## STATE OF ARIZONA

JUL 2 1 2015

## DEPARTMENT OF INSURANCE

DEPT OF INSURANCE

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In the Matter of:

ALLEN, BRENT IRVING

(Arizona License Number 1418)

(Arizona License Number 1407)

(National Producer Number 56626)

**ALLEN FINANCIAL INSURANCE GROUP INC** 

Respondents.

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and

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CONSENT ORDER

No. 15A- 066INS

The State of Arizona Department of Insurance ("Department") received evidence that Brent Irving Allen and Allen Financial Insurance Group Inc ("Respondents") violated provisions of Title 20, Arizona Revised Statutes. Respondents wish to resolve this matter without the commencement of formal proceedings, admit the following Findings of Fact are true, and consent to entry of the following Conclusions of Law and Order.

## FINDINGS OF FACT

- Brent Irving Allen ("Allen") is, and was at all material times, licensed as an 1. Arizona resident property, casualty, accident/health and life insurance producer and a surplus lines broker, license number 1418, which expires on June 30, 2018.
- Allen's addresses of record are: 12424 N. 32nd St., Ste-101, Phoenix, Arizona 2. 85032 (business) and P.O. Box 6230, Scottsdale, Arizona 85261 (mailing).
- Allen Financial Insurance Group Inc ("AFIG") is, and was at all material times. 3. licensed as an Arizona resident property, casualty, accident/health, and life insurance producer and a surplus lines broker, license number 1407 which expires on March 31, 2016.

- 4. Allen is the President and Designated Responsible Licensed Producer ("DLRP") of record for AFIG. Marybeth Pallante ("Pallante") is AFIG's Treasurer of record and its former Vice-President. Theresa Allen is the current Vice-President and Secretary of the company.
- 5. AFIG's address of record is 12424 N. 32<sup>nd</sup> St., Ste-101, Phoenix, Arizona 85032 (business and mailing).

# **Travelers' Complaint**

- 6. On or about March 20, 2015, the Department received a complaint from Daniel R. Moline ("Moline"), Executive Counsel for Travelers Insurance Group ("Travelers"), who alleged AFIG's website deceptively marketed a connection with Travelers in providing insurance for the entertainment industry. Moline attached a hard copy of the "Short Term Film Production Insurance" web page which stated in part, "Travelers Insurance Group and Allen Financial Entertainment support policyholders through its global network of loss control and claim professionals." Moline stated that he had filed a similar complaint with the Department on July 22, 2014<sup>1</sup>.
- 7. On May 7, 2015, Pallante advised the Department that the references to Travelers on the Short Term Film Production and Foreign Film web page had been removed which was confirmed by the Department on May 11, 2015.
- 8. On May 18, 2015, Moline requested that all references to Travelers be removed since Travelers terminated their "Agency Agreement" with AFIG effective October 31, 2014.
- 9. On that same date, the Department notified Pallante to remove all references to Travelers from the AFIG website on or before May 26, 2015.
- 10. On or about May 28, 2015, the Department performed a comprehensive review of the AFIG website and found approximately fifty (50) references to the Travelers' name and/or logo and notified Allen and Pallante.

<sup>&</sup>lt;sup>1</sup> The Department closed the July 22, 2014 complaint without action because AFIG removed the Travelers' name and logo from the specific web page identified in the complaint.

11. On June 6, 2015, the Department confirmed the removal of the Travelers' name and/or logo from the website with the exception of a reference found on the "Film Production Completion Bond" web page which AFIG removed by June 17, 2015.

# Failure to Notify - Change of Officers

- 12. AFIG's 2014 Annual Report, dated and filed with the Arizona Corporation Commission on June 19, 2014, identified Pallante as its Treasurer but named Theresa Allen as its Vice-President and listed the date of her taking office as the same date of the report.
- 13. Allen and AFIG failed to notify the Department within thirty (30) days of the company's change of officers.

## **CONCLUSIONS OF LAW**

- 1. The Director has jurisdiction over this matter.
- 2. Respondents' conduct, as described above, constitutes a violation of Title 20, within the meaning of A.R.S. § 20-295(A)(2).
- 3. Respondents' conduct, as described above, constitutes publication of deceptive sales material or advertisements by an electronic medium, specifically the company's website on the Internet, within the meaning of A.R.S. § 20-444(A).
- 4. Respondents' conduct, as described above, constitutes a failure to inform the director in writing within thirty days of a change in the business entity's officers within the meaning of A.R.S. § 20-286(C)(2).
- 5. Grounds exist for the Director to suspend, revoke, or refuse to renew Respondents' insurance licenses, impose a civil penalty and/or order restitution pursuant to A.R.S. § 20-295(A) and (B).
- 6. In addition to or instead of any suspension, revocation or refusal to renew a license, the Director my impose a civil penalty of not more than two hundred fifty dollars (\$250) for each unintentional failure or violation, up to an aggregate amount of two thousand five hundred dollars (\$2,500), or impose a civil penalty of not more than two thousand five hundred dollars (\$2,500) for each intentional failure or violation, up to an aggregate amount of fifteen thousand dollars (\$15,000), pursuant to A.R.S. § 20-295(F).

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#### **ORDER**

## IT IS HEREBY ORDERED THAT:

- Respondents shall pay a civil penalty of \$500.00 for deposit into the State 1. General Fund.
- Respondents are jointly and severally responsible for payment of the civil 2. penalty. DATED AND EFFECTIVE this 20th day of July



# **CONSENT TO ORDER**

- Respondents have reviewed the foregoing Findings of Fact, Conclusions of Law 1. and Order.
- Respondents admit the jurisdiction of the Director of Insurance, State of Arizona, 2. and admit the foregoing Findings of Fact and consent to the entry of the foregoing Conclusions of Law and Order.
- Respondents are aware of their right to notice and a hearing at which they may 3. be represented by counsel, present evidence and examine witnesses. Respondents irrevocably waive their rights to such notice and hearing and to any court appeals relating to this Consent Order.
- Respondents state that no promise of any kind or nature whatsoever, except as 4. expressly contained in this Consent Order, was made to them to induce them to enter into this Consent Order and that they have entered into this Consent Order voluntarily.
- Respondents acknowledge that the acceptance of this Consent Order by the 5. Director is solely to settle this matter against them and does not preclude any other agency, officer, or subdivision of this state including the Department from instituting civil or criminal proceedings as may be appropriate now or in the future.

1	6. Respond	ents acknowledge that this Consent Order is an administrative	action	
2	that the Department will report to the National Association of Insurance Commissioners (NAIC)			
3	and that they may have to report this administrative action on any future licensing applications			
	either to the Department or other states' Departments of Insurance.			
4	<ol> <li>Brent Irving Allen represents that he is the President of Allen Financial Insurance</li> </ol>			
5	Group Inc, and as such, is authorized to enter into this Consent Order on its behalf.			
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7	7/16/15	CHIH W		
8	Date	Brent kvirig Allen License No. 1418		
9		Allen Financial Insurance Group Inc, License No. 1	407	
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	7/14/15	Brent Irving Allen, President	<del></del>	
11	Date	BIEINING AILEN, Flesident		
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18	COPIES of the foregoing mailed/delivered this 10th day of 010th, 2015, to:			
	Brent Irving Allen			
19	P.O. Box 6230			
20	Scottsdale, AZ 85261 Respondent			
21	Allen Financial Insurance Group Inc			
22	12424 N. 32 <sup>nd</sup> St., Ste-101			
23	Phoenix, AZ 85032 Respondent			

1	Darren T. Ellingson, Deputy Director	
2	Mary E. Kosinski, Executive Assistant for Regulatory Affairs Yvonne Hunter, Consumer Affairs Assistant Director Maria Ailor, Acting Assistant Director, Consumer Affairs Division	
3	Catherine M. O'Neil, Consumer Legal Affairs Officer Steven Fromholtz, Licensing Supervisor	
4	Charles Gregory, Investigations Supervisor Wendy Greenwood, Investigator	
5	Barbara Beltran, Business Öffice Department of Insurance	
6	2910 North 44 <sup>th</sup> Street, Suite 210 Phoenix, Arizona 85018	
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9	Maidene Scheiner	
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