

OCT 25 2016

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY ms

In the Matter of:

JOHNS, ROSITA,
(Arizona License Number 1049343)
(National Producer Number 16997479)

RMJ INSURANCE LLC,
(Arizona License Number 1133572)
(National Producer Number 17800100)

PM & J INSURANCE GROUP LLC,
(Arizona License Number 1049544)
(National Producer Number 17057943)

and

JOHNS MARTINEZ GROUP LLC
(Arizona License Number 1063969)
(National Producer Number 17121740)

Respondents.

No. 16A-133-INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that Rosita Johns, RMJ Insurance LLC, PM & J Insurance Group LLC, and Johns Martinez Group LLC ("Respondents") violated provisions of Title 20, Arizona Revised Statutes. Respondents wish to resolve this matter without the commencement of formal proceedings, and admit the following Findings of Fact are true and consent to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Rosita Johns ("Johns") is, and was at all material times, licensed as an Arizona resident casualty and property producer, Arizona license number 1049343, which expires on July 31, 2020.

1 2. Johns' address of record is: 15331 West Bell Road, Suite 212, Surprise,
2 Arizona, 85374 (business and mailing).

3 3. RMJ Insurance LLC ("RMJ") is, and was at all material times, licensed as an
4 Arizona resident business entity casualty and property producer, Arizona license number
5 1133572, which expires on December 31, 2019.

6 4. RMJ's address of record is: 15331 West Bell Road, Suite 212, Surprise,
7 Arizona, 85374 (business and mailing).

8 5. Johns is the manager and Designated Responsible Licensed Producer ("DRLP")
9 for RMJ.

10 6. PM&J Insurance Group LLC ("PMJ") is, and was at all material times, licensed as
11 an Arizona resident business entity casualty and property producer, Arizona license number
12 1049544, which expires on July 31, 2017.

13 7. PMJ's address of record is: 3835 North 32nd Street, #1, Phoenix, Arizona, 85018
14 (business and mailing).

15 8. Johns is one of three managers and is the DLRP of PMJ.

16 9. Johns Martinez Group LLC ("JMG") is, and was at all material times, licensed as
17 an Arizona resident business entity casualty and property producer, Arizona license number
18 1063969, which expires on November 30, 2017.

19 10. JMG's address of record is: 30198 West Flower Street, Buckeye, Arizona, 85396
20 (business and mailing).

21 11. Johns is the Manager and DRLP for JMG.

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Burke Construction Group, Inc. Complaint

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2 12. On or about August 11, 2016, the Department received a "Request for Assistance"
3 from John Travassos ("Travassos"), Vice President of Operations for Burke Construction
4 Group, Inc. ("BCGI"), which is headquartered in Las Vegas, Nevada. BCGI is duly registered
5 with the Arizona Registrar of Contractors, and since July 2009 to the present, holds general
6 engineering and commercial contractor's licenses.

7 13. Travassos alleged that BCGI paid Johns a "good faith advance premium" for a
8 \$385,000.00 Subcontract Performance Bond and Subcontract Payment Bond.

9 14. On or about November 20, 2015, BCGI issued to JMG a check, Bank of America
10 check number 48101, in the amount of \$11,214.57.

11 15. On or about November 24, 2015, Johns deposited BCGI's check with Armed
12 Forces Bank / Academy Bank, account number xxxxxx1729, but did not bind coverage.

13 16. On or about December 3, 2015, thirteen (13) days after the issuance of the check,
14 BCGI notified Johns that they terminated the subcontractor, Shark Plumbing, Inc., from their
15 Phoenix construction project. As Johns failed to provide BCGI with copies of the bonds, they
16 requested that Johns refund the \$11,214.57 premium.

17 17. On or about January 13, 2016, Johns sent a "JM Insurance Az" imprinted check,
18 number 1002, drawn on Armed Forces Bank / Academy Bank account number xxxxxx1729, to
19 BCGI in the amount of \$11,214.57.

20 18. On or about January 29, 2016, Bank of America notified BCGI that the item
21 [check] in the amount of \$11,214.57 which was deposited into their account was returned
22 unpaid for "not sufficient funds" ("NSF").

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1 19. On or about February 2, 2016, BCGI sent a demand letter with a copy of the NSF
2 check to Johns. BCGI sent the letter via United States Postal Service ("USPS") certified mail,
3 article number 70122920000172628364, to JM Insurance Az, 14050 N. 83rd Avenue, Suite 290,
4 Peoria, Arizona, 85381.

5 20. On or about February 16, 2016, USPS returned the certified correspondence to
6 BCGI; the USPS label affixed to the envelope indicated, "Return to Sender, Attempted / Not
7 Known, [and] Unable to Forward."

8 21. On or about August 23, 2016, the Department issued a Subpoena Duces Tecum
9 to the Armed Forces Bank/Academy Bank's corporate office to produce any and all bank
10 statements for JM Insurance Az and Johns' accounts, including account number xxxxxx1729,
11 for the period from November 1, 2015 through June 30, 2016.

12 22. On or about August 29, 2016, the Department received the requested bank
13 records which not only confirmed the November 24, 2015, deposit of BCGI's check but also
14 reflected that Johns withheld ("less cash received") \$5,000.00 from the total deposit.¹

15 23. On or about September 7, 2016, Johns presented at the Department for an
16 Examination under Oath ("EUO"). The subpoena requesting Johns' appearance also requested
17 she provide any and all records in her possession related to the BCGI insurance transaction
18 and bank records for account number xxxxxx1729 for the period from November 1, 2015
19 through February 29, 2015.

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¹ The "Deposit Ticket" reflected three (3) cash and/or check deposits: \$59.38, \$112.50, and \$11,214.57 for a subtotal of \$11,386.45. With the \$5,000.00 withheld by Johns, the net deposit equaled \$6,386.45.

1 24. Johns testified she did not have any business records pertaining to the BCGI
2 transaction as her alleged business partner/investor, Mohamed Abdul-Salaam, took possession
3 of the laptop computers electronically storing transaction documents when the business
4 disrupted.

5 25. Johns produced three (3) bank statements for Armed Forces Bank/Academy
6 Bank, account number xxxxxx1729, for November 1, 2015 through January 31, 2016. She
7 testified that, as the account had been closed in January 2016, she could not produce the
8 February 2016 statement. However, corporate bank records show the account still open as of
9 June 30, 2016. Johns subsequently admitted in a September 14, 2016 email that the "account
10 would be closed."

11 26. At the September 7, 2016 EUO, Johns submitted fraudulent bank statements to
12 the Department as ascertained by a side-by-side comparison with the records provided by
13 Armed Forces Bank/Academy Bank in response to the August 23, 2016 subpoena; the
14 November 2016 statement produced by Johns reflected a net deposit of \$16,386.45 on
15 November 24, 2015, when the actual deposit amounted to \$6,386.45 on the bank statement
16 provided by Armed Forces Bank/Academy Bank.²

17 27. On or about September 14, 2016, Johns produced new bank statements which
18 corresponded exactly to the records previously provided to the Department by Armed Forces
19 Bank/Academy Bank which confirmed that the statements initially provided by Johns at the
20 Department's September 7, 2016 EUO were altered.³

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² Numerous other alterations were made to the three (3) statements submitted by Johns.

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³ Per A.R.S. § 13-2407(A)(3), "A person commits tampering with a public record if, with intent to defraud or deceive, such person knowingly records, registers or files or offers for recordation, registration or filing in a governmental office or agency a written statement which has been falsely made, completed or altered or that a false entry has been made or which contains a false statement or information".

1 a name of "JM Insurance Az," a DBA name which had been registered as a trade name with
2 the Arizona Secretary of State but never registered with the Department.⁴

3 **Failure to Notify – Address Changes**

4 33. On September 7, 2016, Johns testified that PMJ has been inactive since shortly
5 after its licensure in July 2013 and its address is no longer valid. PMJ's insurance license is
6 currently "active" and reflects its original business address of record.

7 34. Johns failed to timely notify the Department of PMJ's change in status or address.

8 35. On or about November 18, 2015, Johns emailed BCGI sample bond forms which
9 reflect the business address associated with JMG's unregistered DBA. That same address,
10 namely 14050 North 83rd Avenue, Suite 290, Peoria, Arizona, 85381, is also the address which
11 appears on Johns' check stock for account xxxxxx1729.

12 36. Johns failed to timely notify the Department of this business address.

13 37. On or about May 5, 2016, Johns submitted "Articles of Termination" to the A.C.C.
14 to terminate the existence of JMG; JMG's insurance license is currently "active" and reflects its
15 original business address of record.

16 38. Johns failed to timely notify the Department of JMG's termination as an existing
17 Arizona LLC.

18 **CONCLUSIONS OF LAW**

19 1. The Interim Director has jurisdiction over this matter.

20 2. Respondent Rosita Johns' conduct, as described above, constitutes a violation of
21 Title 20, within the meaning of A.R.S. § 20-295(A)(2).

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24 ⁴ On January 16, 2014, Johns registered "JM Insurance AZ" as a trade name for Johns Martinez Group LLC.

1 4. Respondent Rosita Johns' conduct, as described above, constitutes using
2 fraudulent or dishonest practices, or demonstrating incompetence, untrustworthiness or
3 financial irresponsibility in the conduct of business in this state or elsewhere within the meaning
4 of A.R.S. § 20-295(A)(8).

5 5. Respondent Rosita Johns' conduct, a described above, constitutes submitting a
6 business entity application without naming all managers or officers within the meaning of
7 A.R.S. § 20-285(D).

8 6. Respondent Rosita Johns' conduct, as described above, constitutes providing
9 incorrect, misleading, incomplete or materially untrue information in the license application,
10 within the meaning of A.R.S. § 20-295(A)(1).

11 7. Respondent Rosita Johns' conduct, as described above, constitutes a failure to
12 inform the Interim Director in writing within thirty days of a change in business address within
13 the meaning of A.R.S. § 20-286(C)(1).

14 8. Respondent Rosita Johns' conduct, as described above, constitutes a failure to
15 inform the Interim Director in writing within thirty days of a change in officers within the meaning
16 of A.R.S. § 20-286(C)(2).

17 9. Respondent Rosita Johns improperly withheld, misappropriated or converted
18 monies received in the course of doing insurance business within the meaning of
19 A.R.S. § 20- 295(A)(4).

20 10. Grounds exist for the Interim Director to deny, suspend, revoke or refuse to renew
21 the license of a business entity for any of the causes prescribed in A.R.S. § 20-295(A) and if
22 the cause relates to the designated producer or any member, officer, director or manager of the
23 business entity pursuant to A.R.S. § 20-295(B)(1).

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1 11. Grounds exist for the Interim Director to suspend, revoke or refuse to renew
2 Respondents' insurance licenses, impose a civil penalty and/or order restitution pursuant to
3 A.R.S. §§ 20-295(A), (B) and (F).

4 **ORDER**

5 IT IS HEREBY ORDERED THAT:

6 1. Respondent Rosita John's resident license (Arizona license no. 1049343) is
7 revoked, effective immediately upon entry of this Order.

8 2. Respondent Johns Martinez Group LLC's resident license (Arizona license no.
9 1063969) is revoked, effective immediately upon entry of this Order.

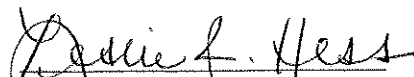
10 3. Respondent PM & J Insurance Group LLC's resident license (Arizona license no.
11 1049544) is revoked, effective immediately upon entry of this Order.

12 4. Respondent RMJ Insurance Group LLC's resident license (Arizona license no.
13 1133572) is revoked, effective immediately upon entry of this Order.

14 6. Respondents Rosita Johns and Johns Martinez Group LLC shall immediately
15 make restitution to Burke Construction Group, Inc., in the amount of \$11,214.57.

16 7. Respondents Rosita Johns and Johns Martinez Group LLC shall immediately
17 make restitution to any other heretofore undiscovered victims.

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19 DATED AND EFFECTIVE this 21st day of October, 2016.

20 
21 LESLIE R. HESS
22 Interim Director of Insurance
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1 **CONSENT TO ORDER**

2 1. Respondents have reviewed the foregoing Findings of Fact, Conclusions of Law
3 and Order.

4 2. Respondents admit the jurisdiction of the Interim Director of Insurance, State of
5 Arizona, and admits the foregoing Findings of Fact and consents to the entry of the foregoing
6 Conclusions of Law and Order.


7 3. Respondents are aware of their right to notice and to a hearing, at which they may
8 be represented by counsel, present evidence and examine witnesses. Respondents
9 irrevocably waive their right to such notice and hearing and to any court appeals relating to this
10 Consent Order.

11 4. Respondents state that no promise of any kind or nature whatsoever, except as
12 expressly contained in this Consent Order, was made to them to induce them to enter into this
13 Consent Order and that they have entered into this Consent Order voluntarily.

14 5. Respondents acknowledge that the acceptance of this Consent Order by the
15 Interim Director is solely to settle this matter against them and does not preclude any other
16 agency, officer, or subdivision of this state including the Department from instituting civil or
17 criminal proceedings as may be appropriate now or in the future.

18 6. Respondents acknowledge that this Consent Order is an administrative action
19 that the Department will report to the National Association of Insurance Commissioners (NAIC)
20 and that they may have to report this administrative action on any future licensing applications
21 either to the Department or other states' Departments of Insurance.

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23 10/12/16
Date

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Rosita Johns (AZ license 1049343)

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Johns Martinez Group LLC, AZ License No. 1063969

10/12/16
Date


Rosita Johns, Owner/Designated Responsible Producer


PM & J Insurance Group LLC, AZ License No. 1049544

10/12/16
Date


Rosita Johns, Owner/Designated Responsible Producer

RMJ Insurance LLC, AZ license 1133572)

10/12/16
Date


Rosita Johns, Owner/Designated Responsible Producer

COPIES of the foregoing mailed/delivered
this 25th day of October, 2016, to:

Rosita Johns
30198 W. Flower St.
Buckeye, AZ 85396
Respondent

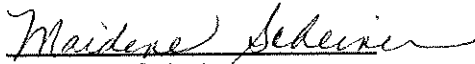
Rosita Johns
C/O RMJ Insurance LLC
15331 W. Bell Rd., Suite 212
Surprise, AZ 85374
Respondent

Johns Martinez Group LLC
30198 W. Flower St.
Buckeye, AZ 85396
Respondent

PM & J Insurance Group LLC
3835 N. 32nd St., #1
Phoenix, AZ 85018
Respondent

1 RMJ Insurance LLC
15331 W. Bell Rd., Suite 212
2 Surprise, AZ 85374
Respondent

3 Mary Kosinski, Executive Assistant for Regulatory Affairs
4 Steven Fromholtz, Assistant Director, Consumer Protection Division
Catherine M. O'Neil, Consumer Legal Affairs Officer
5 Wendy Greenwood, Investigator
Arizona Department of Insurance
6 2910 North 44th Street, Suite 210
Phoenix, AZ 85018-7269

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9 Maidene Scheiner

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