

JUL 11 2017

STATE OF ARIZONA
DEPARTMENT OF INSURANCE
DEPT OF INSURANCE BY MS

In the Matter of:

No. 17A-044-INS

DIXON, STEPHANIE ANN,

ORDER

Petitioner.

On June 13, 2017, the Office of Administrative Hearings, through Administrative Law Judge Diane Mihalsky, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Interim Director of the Department of Insurance ("Interim Director") on June 13, 2017, a copy of which is attached and incorporated by this reference. The Interim Director of the Department of Insurance has reviewed the Recommended Decision and enters the following Order:

1. The Interim Director adopts the Recommended Findings of Fact except to insert the word "license" after the word "insurance" and before the period in Findings of Fact, Paragraph 3.

2. The Interim Director adopts the Recommended Conclusions of Law, Paragraphs 1, 2, 3 and 4. The Interim Director notes that the ALJ found that cause exists to uphold the denial of Petitioner's application in both Paragraph 2 (pursuant to A.R.S. §§ 20-295(A)(6) and 20-295(A)(7)) and Paragraph 3 (pursuant to A.R.S. §§ 20-295(A)(1) and 20-295(A)(9)).

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1 3. The Interim Director rejects the Recommended Conclusion of Law, Paragraph
2 5 with the following justification:

3 The evidence is clear that Petitioner used fraudulent, coercive, or dishonest
4 practices, or demonstrated incompetence, untrustworthiness or financial
5 irresponsibility in the conduct of business in violation of A.R.S. § 20-295(A)(8). The
6 evidence shows, by a preponderance, that Petitioner had a felony conviction for
7 filing a false insurance claim which is a fraudulent practice. While licensed as an
8 insurance producer under the laws of the State of Arizona, the Petitioner knowingly
9 and unlawfully incinerated her car and intentionally presented a false and fraudulent
10 claim to her insurance company for the purpose of collecting a benefit for the loss
11 under her insurance policy. Additionally, in filing her insurance application with the
12 Department of Insurance, Petitioner answered “**No**” to the Question “Have you
13 EVER been found guilty of, have you had a judgment made against you for, or have
14 you admitted to, any of the following: 5. Committing an insurance unfair trade
15 practice or fraud?” At hearing, it was established that Petitioner was convicted
16 pursuant to a guilty plea to False Insurance Claim, a Class 6 felony, with respect to
17 the aforementioned false insurance claim however, it appears she was unable to
18 remember to disclose the insurance fraud when completing her application. Further,
19 it appears that due to her own statutory violation, Petitioner was unaware that the
20 Department revoked her prior insurance producer license and charged her with a
21 civil penalty in the amount of \$2,500 which she has yet to pay.

22 4. The Interim Director adopts the Recommended Conclusion of Law,
23 Paragraph 6 but notes that the following cases cited in the Recommended Decision are
24 inapplicable in this case:

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- a. *Matter of Rivkind*, 164 Ariz. 154, 160-161, 791 P.2d 1037, 1043-1044 (1990). This is a case about an attorney with a conviction for attempted possession of cocaine. The underlying conviction had nothing to do with the functions of the license.
- b. *Application of Spriggs*, 90 Ariz. 387, 388-390, 368 P.2d 456 (1962). The Interim Director finds that this case is distinguishable because Ms. Dixon has continued to be dishonest and provide false statements in inaccurately completing her most recent insurance producer application.
- c. *Ulrich v. Board of Funeral Examiners*, 289 Mont. 407, 961 P.2d 126 (1998). Is not controlling in Arizona.

5. The Interim Director rejects the Recommended Conclusion of Law, Paragraph 7 with the following justification:

The Interim Director acknowledges that the ALJ found that Petitioner credibly testified that she regretted her decision. Without more, regretting the commission of insurance fraud, though laudable, is not sufficient to demonstrate that Petitioner is now qualified to hold an insurance producer's license. Nothing in the record shows that Petitioner has ever taken responsibility for her actions.

The ALJ also found that Petitioner credibly testified that her regret led her to turn herself in to authorities. However, the ALJ overlooks Petitioner's written statement, which is part of the record, where Petitioner states that the City of Tempe **came to investigate the fire** and "I confessed the plan to them." The ALJ may find Ms. Dixon's testimony on this point credible but the record does not support that finding. The record shows that Petitioner has continued to deceive through her submission

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of an inaccurate application to the Department replete with material misrepresentations:

- a. She answered "No" to the question: "Have you EVER been found guilty of, have you had a judgment made against you for, or have you admitted to, any of the following: 5. Committing an insurance unfair trade practice or fraud? Her 2000 conviction for filing a false insurance claim required her to answer "yes" to this question in addition to her "yes" response to whether she had a felony conviction (of any kind).
- b. She answered "No" to the question: Have you EVER had any professional, vocational, business license or certification refused, denied, suspended, revoked or restricted, OR been issued a consent order, an administrative action OR a fine imposed by any public authority? Petitioner testified that she thought her license expired without conducting any due diligence regarding the same despite her felony conviction for insurance fraud. As a licensed insurance professional, the law required her to submit address changes to the Department within thirty days of the change. She testified that she did not provide the Department with her new address (See, Finding of Fact, Paragraph 15). Had Petitioner complied with the law applicable to licensed insurance producers, she would have known her license was in fact revoked. She cannot claim ignorance when she failed to meet her duty to keep the Department apprised of her contact information while she was still licensed.
- c. In Section VI of the application, she listed that she has had **one** job since 2011. However, her own testimony indicated that she had begun

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a full-time job as an assistant controller at a large home builder in Tempe four months prior to the hearing (See, Finding of Fact, Paragraph 23). Since she filed her application three months prior to the hearing, she should have disclosed that employment. In addition, the testimony from both Ms. Gomez and Ms. Thompson indicated that Petitioner always worked two or three jobs. No other jobs were listed on her insurance producer license application.

d. In the attachment that Petitioner provided to the Department with her application, she explained the reason she set her car on fire: "My car had broken down and was in need of great repair. I was in a bad financial bind and my then girlfriend suggested that we destroy the car. I wasn't on board with the idea but she went ahead and organized the move. She planned and executed it." This is different from the reason proffered at hearing: "Petitioner testified that although she only had two payments left on the car, because she lived within a half-mile of both of the two jobs that she was working at the time and her son's school, she felt she did not need the car. An acquaintance named Stacy advised her that she could set the car on fire, make an insurance claim, and not have to make any more payments or sell the car." (See, Findings of Fact, Paragraph 20.) Petitioner's explanation, whichever is accurate, fails to take responsibility for her own actions.

1 5. The Interim Director rejects the ALJ's Recommended Order and denies
2 **Stephanie Ann Dixon's** application for an Arizona insurance producer license with the
3 following justification:

4 The ALJ found that cause existed under A.R.S. §§ 20-295(A)(6), 20-295(A)(7) (See,
5 Conclusions of Law, Paragraph 2), 20-295(A)(1) and 20-295(A)(9) (See,
6 Conclusions of Law, Paragraph 3) to deny Ms. Dixon's application for an insurance
7 producer license. But, instead, the ALJ based her Recommended Decision solely
8 on the alleged violation of A.R.S. § 20-295(A)(8) (See, Conclusions of Law,
9 Paragraph 5). The ALJ found that Ms. Dixon did not use fraudulent practices. This
10 conclusion runs contrary to the evidence which shows that Ms. Dixon has a criminal
11 conviction for a False Insurance Claim which is a fraudulent practice (See, A.R.S. §
12 20-463 which states: "It is a fraudulent practice and unlawful for a person to
13 knowingly present . . . an oral or written statement . . . to . . . an insurer . . . that
14 contains untrue statements of material fact or that fails to state any material fact with
15 respect to any of the following: . . . A claim for payment or benefit pursuant to an
16 insurance policy.").

17 Ms. Dixon testified that the car-burning incident was her "15 minutes of shame."
18 (See, Findings of Fact, Paragraph 28.) Although the actual car-burning may have
19 been her 15 minutes of shame, the volitional act that followed, the submission to her
20 insurance carrier a claim she knew contained untrue statements of material fact,
21 goes well beyond the 15 minutes of shame threshold. It is also magnified by the fact
22 that, at the time she submitted the fraudulent claim, she was licensed as an
23 insurance producer.


24 Although it is true that the Interim Director may exercise her discretion with regard to
25 granting an insurance license to Ms. Dixon, the weight of a conviction for filing a
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1 false insurance claim while being licensed as an insurance producer requires more
2 than an expression of regret and the mere passage of time. In her efforts to prove
3 she is qualified to again be granted a license by the Department, she files an
4 application with multiple material omissions, proffers an inadequate excuse for not
5 being aware of the Department's prior Order and penalty, and offers no character
6 testimony from business associates. Ms. Dixon has not demonstrated that she is
7 qualified to hold an insurance producer license in Arizona.

8 NOTIFICATION OF RIGHTS

9 Pursuant to Arizona Revised Statutes ("A.R.S.") § 41-1092.09, Petitioner may
10 request a rehearing with respect to this order by filing a written motion with the Interim
11 Director of the Department of Insurance within 30 days of the date of this Order, setting
12 forth the basis for relief under A.A.C. R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is
13 not necessary to request a rehearing before filing an appeal to Superior Court. Petitioner
14 may appeal the final decision of the Interim Director to the Superior Court of Maricopa
15 County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal must notify
16 the Office of Administrative Hearings of the appeal within ten days after filing the complaint
17 commencing the appeal, pursuant to A.R.S. § 12-904(B).

18 DATED this 10th day of July, 2017.

19
20 
21 Leslie R. Hess, Interim Director
Arizona Department of Insurance

22
23 COPY of the foregoing mailed this
11th day of July, 2017, to:

24 Stephanie Ann Dixon
25 208 E. Baseline, #131
26 Tempe, Arizona 85283
Petitioner

1 Mary Kosinski, Executive Assistant for Regulatory Affairs
Catherine O'Neil, Consumer Legal Affairs Officer
2 Steven Fromholtz, Asst. Dir., Consumer Protection Division
Aqueelah Currie, Licensing Supervisor
3 Arizona Department of Insurance
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11 Maidene Scheiner

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JUN 13 2017

DEPARTMENT OF INSURANCE
BY MEK

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Application for
Licensure of:

No. 17A-044-INS

DIXON, STEPHANIE ANN

ADMINISTRATIVE LAW JUDGE

Petitioner.

DECISION

HEARING: June 7, 2017, at 8:30 a.m.

APPEARANCES: Stephanie Ann Dixon ("Petitioner") appeared on her own behalf; the Arizona Department of Insurance ("the Department") was represented by Liane Kido, Esq., Assistant Attorney General.

ADMINISTRATIVE LAW JUDGE: Diane Mihalsky

FINDINGS OF FACT

THE APPLICATION AND DENIAL

1. On or about March 2, 2017, Petitioner submitted an application to the Department to be licensed as an insurance producer, in which she admitted to having been convicted of a felony.¹ Petitioner attached to her application copies of the court documents summarized below.

2. On the application, Petitioner answered "no" to the question, "Have you EVER been found guilty of, have you had a judgment made against you for, or have you admitted to, any of the following: Committing an insurance unfair Trade practice or fraud?" Petitioner also did not disclose that she had an insurance license in the past that had been revoked.

3. On March 10, 2017, the Department informed Petitioner that it denied her application for an insurance.²

¹ See the Department's Exhibit 3.

² See the Department's Exhibit 1.

1 4. On April 10, 2017, the Department received Petitioner's request for hearing
2 on the denial because "I have paid my debt to society for the last 18 years. I was not
3 and have not been in trouble since this one single incident."³

4 5. The Department referred the matter to the Office of Administrative Hearings,
5 an independent agency, for an evidentiary hearing. On May 1, 2017, the Department
6 issued a Notice of Hearing, which cited A.R.S. § 20-295(A)(1), (A)(6), (A)(7), (A)(8), and
7 (A)(9) as grounds to deny the application.

8 6. A hearing was held on June 7, 2017. The Department submitted eight
9 exhibits and presented the testimony of Aqueelah Currie, its Licensing Supervisor.
10 Petitioner submitted two exhibits, testified on her own behalf, and presented the
11 testimony of her friends, Felecia Gomez, R.N., and Kevin Darnell Johnson.

12 **THE CONVICTION AND SENTENCE**

13 7. On or about March 25, 1999, Petitioner set fire to her vehicle and, shortly
14 thereafter, filed an insurance claim with her insurance company, American Family
15 Insurance ("American Family").

16 8. As a result, on or about November 8, 1999, Petitioner was charged by
17 indictment in Maricopa County Superior Court Case No. CR99-15702 with Arson of a
18 Structure, a Class 4 Felony (Count 1), Fraudulent Fire Insurance Claim, a Class 5 felony
19 (Count 2), False or Misleading Insurance Claim, a Class 6 felony (Count 3), and Theft, a
20 Class 6 felony (Count 4).⁴

21 9. On or about April 28, 2000, Petitioner was convicted pursuant to her guilty plea
22 of Attempted Arson of Property of More than \$100.00, But Not More Than \$1,000.00, a
23 Class 6 undesignated, nondangerous, and nonrepetitive offense (Count 1), and False
24 Insurance Claim, a Class 6 undesignated, nondangerous, and nonrepetitive offense
25 (Count 3).⁵ As a result of her guilty plea, Petitioner was sentenced to two years'
26 probation commencing on April 28, 2000, to 50 hours of community service, and to
27 payment of restitution, the amount of which would be determined in a later hearing.
28

29 ³ The Department's Exhibit 2.

30 ⁴ See the Department's Exhibit 4.

⁵ See the Department's Exhibit 5.

1 10. On or about September 19, 2003, the court entered an order releasing
2 Petitioner from probation and designating both convictions as misdemeanors. The order
3 noted that on August 15, 2001, Petitioner had been granted early termination of her
4 probation on Count 1 but that, through an administrative error, the early termination was
5 not completed on Count 3.⁶

6 **THE REVOCATION OF PETITIONER'S PREVIOUS INSURANCE PRODUCER'S LICENSE**

7 11. On or about February 1, 1996, the Department issued License No. 3160071
8 to Petitioner. The license was scheduled to expire on February 28, 2001.⁷

9 12. On or about February 5, 2001, the Department issued a Notice of Hearing in
10 Case No. 01A-026-INS, informing Petitioner that a hearing had been set on March 19,
11 2001, to determine whether Petitioner's guilty plea in Case No. CR99-15702 furnished
12 grounds to suspend or revoke her insurance producer's license under A.R.S. §§ 20-
13 316(A)(8), 20-316(A)(2), and 20-463(A)(1)(c). The Notice of Hearing required Petitioner
14 to file a written answer to allegations set forth therein within twenty days of the date that it
15 was issued. The Department sent the Notice of Hearing to Petitioner at her address of
16 record.⁸

17 13. Petitioner did not file a timely written answer to the Notice of Hearing. On or
18 about March 8, 2001, the Department issued Findings of Fact, Conclusions of Law, and
19 an Order in Case No. 01A-026-INS, finding that pursuant to A.A.C. R20-6-106(D),
20 Petitioner was deemed to have admitted the factual allegations and charged statutory
21 violations in the Notice of Hearing. As a result, the Department revoked Petitioner's
22 License No. 3160071 and assessed a civil penalty against her in the amount of
23 \$2,500.00.⁹

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27 ⁶ This order was originally the Department's Exhibit 6 in exhibits that the Department submitted on May
28 31, 2017. Although the Department later submitted exhibits on June 1, 2017, that did not include the
29 order terminating Petitioner's probation, the document remains in the electronic file of the Office of
30 Administrative Hearings.

⁷ See the Department's Exhibit 6.

⁸ See the Department's Exhibit 7.

⁹ See the Department's Exhibit 8.

OTHER EVIDENCE PRESENTED AT THE HEARING

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2 14. Ms. Currie testified that Petitioner should have but failed to disclose that she
3 had a license from the Department that had been revoked on the March 2, 2017
4 application.

5 15. Petitioner testified that she obtained the insurance producer's license to
6 work part-time on weekends at Primerica Finance in marketing and that between 1996
7 and 1997, she sold six or eight insurance policies. Petitioner testified that she has not
8 worked in insurance since 1997 and that she thought her license was due to expire in
9 February 2000. In December 1999, she purchased a house and did not provide the
10 Department with her new address. Petitioner testified that she did not know that her
11 previous insurance producer's license had been revoked when she filed the application
12 for a new license.

13 16. Ms. Currie testified that Petitioner showed extremely poor judgment by
14 setting her car on fire on March 25, 1999, and subsequently filing a false insurance
15 claim to her vehicle insurer.

16 17. Ms. Currie opined that, although Petitioner held an insurance producer's
17 license and should have known the law, Petitioner showed no respect for law and still
18 chose to commit insurance fraud.

19 18. Petitioner explained that she graduated from college in 1993, and returned
20 to Arizona in 1994. Her son's father returned to Phoenix in 1996 or 1997 and
21 proceeded to start dating Petitioner's college roommate in 1999.

22 19. Petitioner testified that after her son's father started a relationship with her
23 college roommate, she was a single mother of a 10-year-old boy who was working at
24 Pizza Hut and on AHCCCS and food stamps.

25 20. Petitioner testified that although she only had two payments left on her car,
26 because she lived within a half-mile of both of the two jobs that she was working at the
27 time and her son's school, she felt that she did not need the car. An acquaintance
28 named Stacy advised her that she could set the car on fire, make an insurance claim,
29 and not have to make any more payments or sell the car.

30 21. Petitioner testified that the incident involving the car was the only time that
she has ever been in trouble since she was eighteen years old. Petitioner testified that

1 a few days after she set the car on fire and made the insurance claim, she turned
2 herself into the Tempe Police Department because she did not want her son to think of
3 his mother as a liar and cheater. Petitioner testified that she is a different person now
4 than she was eighteen years ago.

5 22. Petitioner testified that American Family never paid the claim because she
6 turned herself into police. As part of her criminal sentence, within the first three months
7 after she entered the plea agreement, she paid \$168.00 as restitution to reimburse
8 American Family's cost in processing of the claim, completed community service, and
9 made the last two payments on the car.

10 23. Petitioner testified that she rebuilt her credit and resume. Petitioner testified
11 that at the time of the hearing, she had a part-time job at a restaurant in Gilbert and a
12 full-time job as an assistant controller at a large home builder in Tempe, which job she
13 had had held for four months at the time of the hearing.

14 24. Petitioner testified that her older son is now grown, is working for Apple, and
15 has two sons of his own now. Petitioner testified that she now has a second son who is
16 almost 10 years old and that she is a volunteer mom for her second son's basketball
17 league. Petitioner testified that she is on good terms with her second son's father.

18 25. Petitioner submitted a letter of reference from Felecia Gomez, BSN, RN,
19 stating that she has known Petitioner for 17 years and that she has never met a more
20 sincere, responsible, and reliable individual.¹⁰ Ms. Gomez also testified telephonically
21 that she met Petitioner in 2000 while both were working at Midland Credit Management,
22 a collection agency. Ms. Gomez testified that she learned about Petitioner's criminal
23 conviction and her struggles with her son's father, who ended up marrying Petitioner's
24 college roommate. Ms. Gomez testified that Petitioner always work at least three jobs
25 and is reliable and that she has never known Petitioner to do anything illegal. Petitioner
26 is the emergency contact for Ms. Gomez's children.

27 26. Petitioner also submitted a letter of reference from Mary Louisa Thompson,
28 in relevant part as follows:

29 I have known [Petitioner] on a personal level since 1996. She
30 has always shown such great integrity and loyalty towards our

¹⁰ See Petitioner's Exhibit A.

1 friendship but I have also known her to do that in any job she
2 has held. She is a very hard worker and dedicated to what
3 needs to be done. She has held 2-3 jobs, at a time, over the
4 years, to make sure her family ['] s needs are taken care of.
5 She has excellent work ethics and is very dependable.

6 [Petitioner] has a great heart and is always willing to help out
7 anyone in need, no matter what it is. She is a wonderful
8 contributor and asset to our society and I am proud to call her
9 my friend. . . .¹¹

10 Petitioner testified that Ms. Thompson knew about her 2000 conviction, but that she was
11 not available to testify telephonically.

12 27. Petitioner presented the telephonic testimony of Kevin Johnson. Mr.
13 Johnson is a firefighter for the City of Phoenix who has known Petitioner since 1988,
14 when they met at Eastern Arizona College. Mr. Johnson testified that he had a few sit-
15 down conversations with Petitioner after the 1999 incident to tell her she needed to
16 disassociate herself from the people who encouraged that poor decision. Mr. Johnson
17 testified that the incident was a wake-up call for Petitioner and that she has made better
18 decisions since March 1999. Mr. Johnson testified that Petitioner has since put herself
19 on the right track.

20 28. Petitioner testified that she has been offered a job by Tranont, a company
21 based in Sandy, Utah, if she obtains an insurance producer's license. Petitioner
22 testified that the position with Tranont will allow her to work only one job and to spend
23 more time with her family. Petitioner testified that the car-burning incident was her 15
24 minutes of shame and that, in the eighteen years since the incident, she has grown.

25 CONCLUSIONS OF LAW

26 1. Petitioner bears the burden of proof to establish that she is rehabilitated and
27 qualified to be licensed producer's license by a preponderance of the evidence.¹² "A
28 preponderance of the evidence is such proof as convinces the trier of fact that the
29 contention is more probably true than not."¹³ A preponderance of the evidence is

30 ¹¹ Petitioner's Exhibit B.

¹² See A.R.S. § 41-1092.07(G)(1); A.A.C. R2-19-119; see also *Vazanno v. Superior Court*, 74 Ariz. 369, 372, 249 P.2d 837 (1952).

¹³ MORRIS K. UDALL, ARIZONA LAW OF EVIDENCE § 5 (1960).

1 "evidence which is of greater weight or more convincing than evidence which is offered in
2 opposition to it; that is, evidence which as a whole shows that the fact sought to be
3 proved is more probable than not."¹⁴

4 2. Petitioner did not dispute that she was convicted of two felonies that were
5 later redesignated as misdemeanors. One of these felonies involved a fraudulent
6 insurance claim. Cause therefore exists under A.R.S. § 20-295(A)(6) and (7) for the
7 Director of the Department to deny Petitioner's application for an insurance producer's
8 license.¹⁵

9 3. Petitioner did not disclose that she previously had been issued an insurance
10 producer's license and that the license had been revoked. Although Petitioner credibly
11 testified that she did not know about the revocation, cause exists under A.R.S. § 20-
12 295(A)(1) and (9) for the Director of the Department to deny Petitioner's application for
13 an insurance producer's license.¹⁶

14 4. Petitioner was required to keep track of the status of her previous license, to
15 report the November 8, 1999 indictment and April 28, 2000 conviction to the
16 Department,¹⁷ and to keep the Department apprised of any change of address within 30
17 days.¹⁸ No evidence indicates that Petitioner has paid the \$2,500.00 civil penalty
18 assessed in Case No. 01A-026-INS. Although Petitioner's failures to take these actions
19 calls into question her working knowledge of insurance statutes and regulations when
20 she was last licensed, the Department's revocation of Petitioner's License No. 3160071
21 on March 8, 2001, does not preclude a grant of Petitioner's current application.¹⁹

22 5. No evidence shows that Petitioner ever used fraudulent, coercive, or
23 dishonest practices, or demonstrated incompetence, untrustworthiness or financial
24 irresponsibility in the conduct of any business. All the evidence shows that the 1999 car

25 ¹⁴ BLACK'S LAW DICTIONARY at page 1182 (6th ed. 1990).

26 ¹⁵ A.R.S. § 20-295(A)(6) and (7) allow the Director of the Department to deny Petitioner's application for
27 an insurance producer's license for "[h]aving been convicted of a felony" and "[h]aving admitted or been
28 found to have committed any insurance unfair trade practice or fraud."

29 ¹⁶ A.R.S. § 20-295(A)(1) and (9) allow the Director of the Department to deny Petitioner's application for
30 an insurance producer's license for "[p]roviding incorrect, misleading, incomplete or materially untrue
information in the license application" and "[h]aving an insurance producer license, or its equivalent,
denied, suspended or revoked in any state, province, district or territory."

¹⁷ See A.R.S. § 20-301.

¹⁸ See A.R.S. § 20-286©(1)

¹⁹ See A.R.S. § 20-296(A).

1 burning incident was an anomaly that has not been repeated and that, otherwise,
2 Petitioner has worked hard to support her family and has treated her colleagues and the
3 public with respect and integrity in her various occupations. Cause therefore does not
4 exist under A.R.S. § 20-295(A)(8) to deny Petitioner's application for an insurance
5 producer's license.²⁰

6 6. The legislature has not required denial of Petitioner's license application
7 based on a showing of potential cause but has afforded the Director of the Department
8 discretion to grant the application if Petitioner establishes that she is rehabilitated and
9 no longer poses a threat to the public if she is licensed.²¹

10 7. Petitioner credibly testified that she almost immediately regretted her decision
11 in March 1999, to rid herself of a car that she no longer wanted by burning it and then
12 submitting a fraudulent insurance claim. She credibly testified that her regret led her to
13 turn herself into authorities before she obtained any benefit from her initial poor
14 decision, that within a year and a half into her three-year probation she had completed
15 and was released from the terms of her probation, and that she has not made any
16 comparably poor decisions since March 1999, more than 18 years ago. Her testimony
17 is supported by the documentary evidence and the testimony of Ms. Gomez and Mr.
18 Johnson, as well as the letter from Ms. Thompson.

19 **RECOMMENDED ORDER**

20 Based on the foregoing, it is recommended that on the effective date of the final
21 order in this matter, Petitioner Stephanie Ann Dixon's application for licensure as an
22 insurance producer shall be granted.

23
24 ²⁰ A.R.S. § 20-295(A)(8) allows the Director of the Department to deny Petitioner's application for an
25 insurance producer's license for "using fraudulent, coercive or dishonest practices, or demonstrating
26 incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or
27 elsewhere."

28 ²¹ See, e.g., *Brooke v. Moore*, 60 Ariz. 551, 553-54, 142 P.2d 211 (1943); see, e.g., *Matter of Rivkind*,
29 164 Ariz. 154, 160-61, 791 P.2d 1037, 1043-44 (1990) ("[C]ourts are uniformly impressed by an attorney's
30 sincere efforts at rehabilitation and contrition, especially if such efforts demonstrate that the public and the
legal system are unlikely to suffer a risk of future misconduct."); *Application of Spriggs*, 90 Ariz. 387, 388-
90, 368 P.2d 456 (1962) (where 4 years had passed since conviction for income tax evasion and
evidence showed rehabilitation, applicant readmitted to bar without being required to pass bar exam
again); *Ulrich v. Board of Funeral Service*, 289 Mont. 407, 961 P.2d 126 (1998) ("[A]n applicant whose
license has been denied or revoked due to a criminal conviction . . . is entitled to apply for reinstatement
and he is entitled to a full hearing . . .").

1 It is further recommended that, as a condition of licensure, Petitioner shall be
2 required to pay the \$2,500.00 civil penalty imposed in Case No. 01A-026-INS over the
3 first twelve months of licensure at a rate of \$209.00 by the end of each month until the
4 penalty is paid in full, and that if Petitioner fails to make the required payment, the
5 license be suspended until she brings her payments current.

6 *In the event of certification of the Administrative Law Judge Decision by the*
7 *Director of the Office of Administrative Hearings, the effective date of the Order will be*
8 *five days from the date of that certification.*

9 Done this day, June 13, 2017.

10 /s/ Diane Mihalsky
11 Administrative Law Judge

12 Transmitted electronically to:

13 Leslie R. Hess, Interim Director
14 Arizona Department of Insurance