

APR 30 2018

STATE OF ARIZONA DEPT OF INSURANCE  
DEPARTMENT OF INSURANCE BY MS

**In the Matter of:**

**LABINE, LAWRENCE MICHAEL**  
(National Producer Number 384626)  
(Legacy License ID Number 385787)

**No. 17A-072-INS**

**ORDER**

and

**LABINE INSURANCE SERVICES LLC**  
(National Producer Number 14271307)  
(Legacy License ID Number 946176)  
(License Number 1800007123)

**Respondents.**

On April 24, 2018, the Office of Administrative Hearings, through Administrative Law Judge Thomas Shedden, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Interim Director of the Department of Insurance ("Interim Director") on April 26, 2018, 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, Conclusions of Law and Order.
2. The Interim Director revokes the Arizona resident insurance producer license of **Lawrence Michael LaBine**, National Producer Number 384626, effective immediately.


1 3. The Interim Director revokes the Arizona resident insurance producer license  
2 of **LaBine Insurance Services, LLC**, License Number 1800007123, effective  
3 immediately.

#### 4 NOTIFICATION OF RIGHTS

5 Pursuant to Arizona Revised Statutes (“A.R.S.”) § 41-1092.09, Respondents may  
6 request a rehearing with respect to this order by filing a written motion with the Interim  
7 Director of the Department of Insurance within 30 days of the date of this Order, setting  
8 forth the basis for relief under A.A.C. R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is  
9 not necessary to request a rehearing before filing an appeal to Superior Court.

10 Respondents may appeal the final decision of the Interim Director to the Superior  
11 Court of Maricopa County for judicial review pursuant to A.R.S. § 20-166. A party filing an  
12 appeal must notify the Office of Administrative Hearings of the appeal within ten days after  
13 filing the complaint commencing the appeal, pursuant to A.R.S. § 12-904(B).

14 DATED this 27<sup>th</sup> day of April, 2018.

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17   
18 Keith A. Schraad, Interim Director  
Arizona Department of Insurance

19  
20 **COPY** of the foregoing mailed this  
30<sup>th</sup> day of April, 2018, to:

21 Lawrence Michael LaBine  
22 Financial & Estate Planning  
23 4300 N. Miller Rd., Ste-200  
Scottsdale, AZ 85251-3621  
Respondent

24 Lawrence Michael LaBine  
25 9439 E. Yucca St.  
26 Scottsdale, AZ 85260  
Respondent

1 LaBine Insurance Services, LLC  
2 c/o Lawrence Michael LaBine  
3 14426 E. Shadow Canyon Dr.  
4 Fountain Hills, AZ 85268  
5 Respondent

6 Office of Administrative Hearings  
7 1400 West Washington, Suite 101  
8 Phoenix, Arizona 85007

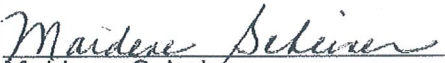
9 **COPY** of the foregoing delivered, same date, to:

10 Mary Kosinski, Regulatory Legal Affairs Officer  
11 Catherine O'Neil, Consumer Legal Affairs Officer  
12 Steven Fromholtz, Assistant Director – Consumer Protection Division  
13 Wendy Greenwood, Investigator  
14 Sharyn Kerr, Consumer Protection Division  
15 Arizona Department of Insurance  
16 2910 North 44th Street, Suite 210  
17 Phoenix, Arizona 85018

18 **COPY** of the foregoing delivered electronically, same date, to:

19 Lawrence Michael LaBine  
20 [larry@larrylabine.com](mailto:larry@larrylabine.com)  
21 Respondent

22 Lynette Evans  
23 Assistant Attorney General  
24 [AdminLaw@azag.gov](mailto:AdminLaw@azag.gov)  
25 Attorney for the Department of Insurance

26   
Maidene Scheiner



APR 26 2018

DEPT. OF INSURANCE  
BY: mek

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of:

No. 17A-072-INS

LaBine, Lawrence Michael  
(National Producer Number 384626)  
(Legacy License ID Number 385787)

ADMINISTRATIVE LAW JUDGE  
DECISION

and

LaBine Insurance Services LLC  
(National Producer Number 14271307)  
(Legacy License ID Number 946176)  
(License Number 1800007123)

Respondents.

**HEARING:** April 17, 2018

**APPEARANCES:** Lawrence Michael LaBine for Respondents; Liane Kido, Esq.  
for the Department of Insurance

**ADMINISTRATIVE LAW JUDGE:** Thomas Shedden

**FINDINGS OF FACT**

1. On February 2, 2018, the Arizona Department of Insurance ("Department") issued a Notice of Hearing setting the above-captioned matter for hearing at 1:00 p.m. April 17, 2018 at the Office of Administrative Hearings.
2. Lawrence Michael LaBine appeared and testified for Respondents.
3. The Department presented the testimony of its investigator Wendy Greenwood.
4. Mr. LaBine holds license No. 384626 and LaBine Insurance Services, LLC holds license No. 1800007123, both of which were issued by the Department.
5. Mr. LaBine's license is due to expire on January 31, 2019.
6. LaBine Insurance Services, LLC's license expired on June 30, 2017. LaBine Insurance Services, LLC was terminated on June 5, 2017.

1 7. On November 22, 2005, the NASD issued an Order Accepting Offer of Settlement  
2 it which it suspended Mr. LaBine from registration with any member for fifteen days,  
3 issued a fine against Mr. LaBine of \$25,000, and required Mr. LaBine to requalify as a  
4 securities representative.

5 8. Mr. LaBine did not report to the Department the 2005 NASD Order.

6 9. On January 19, 2007, Mr. LaBine filed with the Department a renewal application.  
7 In that application, Mr. LaBine answered "no" to the question of whether he had ever had  
8 any business license or certification suspended that he had not previously reported to the  
9 Department. This answer was false because Mr. LaBine had been suspended from  
10 registration through the 2005 NASD Order.

11 10. On March 9, 2007, the Illinois Secretary of State issued a Consent Order of  
12 Withdrawal in which Mr. LaBine agreed to have his registration as a salesperson  
13 withdrawn, that he would not reapply for such a registration for the next eighteen months,  
14 and that he repay the costs of the investigation.

15 11. The March 2007 Consent Order shows that Mr. LaBine had made unsuitable  
16 recommendations to five customers, which resulted in losses to those customers, and  
17 were violations of NASD Conduct Rules 2310 and 2110. These unsuitable  
18 recommendations were part of the NASD's basis for issuing the November 2005 Order.

19 12. Mr. LaBine did not report to the Department the 2007 Illinois Secretary of State  
20 Consent Order.

21 13. On January 28, 2011, Mr. LaBine filed with the Department a renewal application.  
22 In that application, Mr. LaBine answered "no" to the question of whether he had ever had  
23 any business license or certification suspended that he had not previously reported to the  
24 Department. This answer was false because Mr. LaBine had been suspended from  
25 registration through the 2005 NASD Order and had withdrawn his salesperson's  
26 registration in Illinois as part of the 2007 Consent Order.

27 14. On April 8, 2016, FINRA issued an Order Accepting Offer of Settlement showing  
28 that Mr. LaBine had violated NASD Rules 2310 and 2110, and FINRA rule 2010. Mr.  
29 LaBine was barred from association with any FINRA member.

30 15. Mr. LaBine did not report to the Department the April 2016 FINRA Order.



1 16. Through an undated Notice, the Securities and Exchange Commission found that  
2 an Initial Decision dated March 2, 2016 had become final. Through the Notice, the SEC  
3 ordered Mr. LaBine to cease and desist from violating various law and rules, that he  
4 disgorge \$100,000, that he be barred for two years from associating with any investment  
5 broker or advisor, and that he was prohibited from participating in investment companies  
6 for two years.

7 17. Mr. LaBine did not report to the Department the March 2016 SEC Initial Decision  
8 or Notice finalizing that Decision.

9 18. On November 7, 2016, the California Insurance Commissioner issued an Order of  
10 Summary Revocation, revoking Mr. LaBine's California insurance producer's licenses.

11 19. Mr. LaBine did not report to the Department the November 2016 California Order.

12 20. On July 13, 2017, the Arizona Corporation Commission issued an Order of  
13 Revocation through which it revoked Mr. LaBine's registration as a securities salesman  
14 and his license as an investment advisor representative.

15 21. Mr. LaBine did not report to the Department the July 2017 Corporation  
16 Commission Order.

17 22. Mail sent by the Department to Mr. LaBine's and LaBine Insurance Services'  
18 addresses of record was returned to the Department.

19 23. Mr. Greenwood learned that although Mr. LaBine's lease had not expire, he had  
20 not been to the premises for over a year, that landlord had retaken possession of those  
21 premises, and that Mr. LaBine had left behind files that the landlord shredded with Mr.  
22 LaBine's permission.

23 24. Mr. LaBine testified to the effect that NASD, FINRA and SEC information was  
24 public, and that he had left employees in charge of his office space.

25 25. Mr. LaBine also testified to the effect that the investments at issue in his  
26 disciplinary matters were not bad investments, but some losses are to be expected when  
27 investing.

28 26. Mr. LaBine sees the benefits that life insurance provides to consumers and  
29 testified that he needed to keep his license because he is behind on child support and for  
30 his own living expenses.

1 27. The Department requests that Mr. LaBine's and LaBine Insurance Services,  
2 LLC's licenses be revoked.

3 **CONCLUSIONS OF LAW**

4 1. The Department bears the burden of persuasion. ARIZ. REV. STAT. § 41-  
5 1092.07(G).

6 2. The burden of proof at an administrative hearing falls to the party asserting a  
7 claim, right or entitlement. The standard of proof is that of the preponderance of the  
8 evidence. ARIZ. ADMIN. CODE § R2-19-119.

9 3. A preponderance of the evidence is:

10 The greater weight of the evidence, not necessarily established  
11 by the greater number of witnesses testifying to a fact but by  
12 evidence that has the most convincing force; superior  
13 evidentiary weight that, though not sufficient to free the mind  
14 wholly from all reasonable doubt, is still sufficient to incline a fair  
15 and impartial mind to one side of the issue rather than the other.

16 BLACK'S LAW DICTIONARY 1373 (10th ed. 2014).

17 4. Mr. LaBine was required to report to the Department the 2005 NASD Order, the  
18 2007 Illinois Secretary of State Consent Order, the April 2016 FINRA Order, and the  
19 March 2016 SEC Initial Decision of notice finalizing that Decision, but failed to do so,  
20 which are violations of ARIZ. REV. STAT. section 20-2662(D).

21 5. Mr. LaBine failed to report to the Department and the November 2016 California  
22 Order, which is a violation of ARIZ. REV. STAT. section 20-301(A).

23 6. Mr. LaBine violated ARIZ. REV. STAT. section 20-286(C)(1) by failing to report his  
24 changes of address.

25 7. Mr. LaBine violated ARIZ. REV. STAT. section 20-295(A)(1) by reporting false or  
26 misleading information to the Department in his 2007 and 2011 license applications.

27 8. The 2005 NASD Order, the 2007 Illinois Secretary of State Consent Order, the  
28 April 2016 FINRA Order, and the Notice finalizing the March 2016 SEC Initial Decision,  
29 show that Mr. LaBine used fraudulent or dishonest practices, demonstrating  
30 untrustworthiness in the conduct of business, which is a violation of ARIZ. REV. STAT.  
section 20-295(A)(8).



1 9. There is sufficient evidence to show that Mr. LaBine violated ARIZ. REV. STAT.  
2 section 20-290(A) by failing to properly maintain records of his transactions at his  
3 principal place of business.

4 10. Based on Mr. LaBine's proven violations, the Department has the authority to  
5 revoke Mr. LaBine's license. ARIZ. REV. STAT. § 20-295(A).

6 11. Based on Mr. LaBine's proven violations, the Department has the authority to  
7 revoke LaBine Insurance Service's LLC's license. ARIZ. REV. STAT. §§ 20-295(B) and  
8 (H).

9 12. Considering the nature and number of Mr. LaBine's violations, Mr. LaBine's and  
10 LaBine Insurance Services LLC's licenses should be revoked.

11 **ORDER**

12 **IT IS ORDERED** that Lawrence Michael LaBine's license No. 384626 is revoked;

13 **IT IS FURTHER ORDERED** that LaBine Insurance Services, LLC's license No.

14 1800007123 is revoked.

15 *In the event of certification of the Administrative Law Judge Decision by the Director of*  
16 *the Office of Administrative Hearings, the effective date of the Order will be the date of*  
17 *that certification.*

18 Done this day, April 24, 2018

19 /s/ Thomas Shedden  
20 Thomas Shedden  
21 Administrative Law Judge

22 Transmitted electronically to:

23 Leslie R. Hess, Interim Director  
24 Arizona Department of Insurance  
25  
26  
27  
28  
29  
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