

JUL 02 2019

STATE OF ARIZONA

DEPARTMENT OF INSURANCE DEPT OF INSURANCE
BY mek 7/2/19

In the Matter of:

KNAUF, TIMOTHY JUSTIN
(National Producer Number 18757249)

Respondent.

No. 19A- 093-INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that **Timothy Justin Knauf** ("Knauf or Respondent") violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Knauf is, and was at all material times, licensed as an Arizona resident producer, National Producer Number 18757249, with two (2) lines of authority: life, and accident and health or sickness. The license expires on May 31, 2021.

2. Knauf's address of record with the Department is: 1031 South Stewart Street, # 1095, Mesa, Arizona, 85202 (business and mailing).

3. Knauf's email address of record with the Department is: timknauf@yahoo.com

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Complaint

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2 4. On or about January 9, 2019, Mutual of Omaha (the "Company") filed a complaint
3 with the Department alleging that Knauf wrote a life insurance policy for Brian Dodge ("Dodge")
4 without his consent.

5 5. The Company further alleged that Knauf wrote a similar life insurance policy for
6 a Jovan Enrique Munoz Murrieta ("Munoz")¹.

7 6. The payor account information, also known as Branch Single Payment ("BSP")
8 information, on both policies utilized the same routing and account number: routing no.
9 xxxxx0024 and account no. xxxxx8935.

10 7. On or about December 28, 2018, the Company contacted Dodge in reference to
11 the life insurance policy, policy no. BU2393120, submitted in his name. Dodge advised the
12 Company that he did not submit an application and that he does not know Knauf. The Company
13 asked Knauf to write a statement regarding both accounts having the same BSP.

14 8. On or about January 8, 2019, the Company terminated Knauf's agent agreement
15 when Knauf failed to respond to their request for a written statement.

16 9. On or about January 30, 2019, the Company forwarded to the Department copies
17 of the Munoz application. The Department confirmed that the application had the same payor
18 account information as the Dodge application, specifically the Chase Bank routing and account
19 numbers.
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24 ¹Munoz is a licensed resident insurance producer, NPN 18350334, with lines of authority in life
and accident and health or sickness insurance. Munoz' license expires on May 31, 2020.

Department's Investigation

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2 10. On or about January 25, 2019, the Department contacted Dodge to interview him
3 regarding his application. Dodge stated that he suffered no monetary loss as a result of the
4 application. Dodge denied having any knowledge of Knauf and the named beneficiary on the
5 application. He stated he has never met either of them.

6 11. On or about February 1, 2019, the Department issued a subpoena to Chase Bank
7 to obtain information regarding the signature authority for the routing and account numbers.

8 12. On or about February 15, 2019, the Department received Chase Bank's Affidavit
9 identifying the signature authority for the account; the signature authority was neither Dodge
10 nor Munoz, but was the beneficiary on the Dodge policy, Ryan Tyther.

11 13. On or about March 11, 2019, the Department issued subpoenas to Knauf and
12 Munoz for each of them to appear individually for an Examination Under Oath ("EUO")
13 scheduled for March 26, 2019.

14 14. On March 28, 2019 the USPS returned the subpoena for Knauf to the Department
15 as: "Return to Sender / Attempted – Not Known / Unable to Forward."

16 15. On March 26, 2019, Knauf emailed the Department to explain his version of what
17 occurred with the Dodge and Munoz applications. Knauf stated, "I entered Mr. Dodge's bank
18 account information incorrectly on his application because I was looking at the wrong check. A
19 simple and honest mistake that had no repercussions [sic]."

20 16. The Department afforded Knauf another opportunity to appear for a EUO which it
21 rescheduled for March 28, 2019.

22 17. On March 28, 2019, Knauf appeared for the rescheduled EUO. During the EUO,
23 Knauf reviewed the Dodge application. He testified the application appeared familiar, and it
24

1 was a referral for a life insurance application. Knauf also testified that all the information on the
2 application was received from Dodge.

3 18. Knauf testified that he met Munoz prior to meeting Dodge. He received a voided
4 check from Munoz and made the mistake of inputting Munoz's routing and account numbers on
5 Dodge's application. Knauf stated he took responsibility for making the mistake.

6 19. Knauf testified that he wrote the application for Munoz in his presence and with
7 his consent. Knauf reviewed both applications. He confirmed the routing and account numbers
8 on both were the same. Knauf reiterated he inadvertently put Munoz's bank account information
9 on Dodge's policy and the routing and account numbers belong to Munoz. Knauf confirmed the
10 information inputted on Munoz's application was factual and accurate, to include the banking
11 information.

12 20. The Department presented Knauf with a copy of the Chase Bank signature sheet
13 for routing no. xxxxx0024 and account no. xxxxx8935. Knauf read the name identified as the
14 signature authority on the account. He acknowledged that the signature authority was the
15 beneficiary on the Dodge application. Knauf stated he does not know why he had the wrong
16 account information on both accounts. Knauf confirmed the beneficiary on the Dodge
17 application is the payor on both applications.

18 21. Knauf testified Dodge gave him the routing and account numbers, he did not
19 receive a voided check. Knauf wrote down Dodge's banking information on a piece of paper.
20 Knauf stated Munoz gave him a voided check.

21 22. Knauf testified he messed up regarding the account numbers. He said he did not
22 do his due diligence when inputting the banking information.

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1 23. Knauf admitted to shredding the application and information related to the Dodge
2 and Munoz applications because he did not need their personal information lying around his
3 house.

4 24. Knauf advised that no money was involved in any of these transactions, there was
5 no monetary loss by anyone. He does not want anything to escalate to the point where parties
6 involved are in trouble. He accepted responsibility.

7 **Failure to Notify – Address Changes**

8 25. During Knauf's EUO, he stated he last used the Department's address of record
9 in July of 2018.

10 **CONCLUSIONS OF LAW**

11 1. The Director has jurisdiction over this matter.

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

14 3. Respondent's conduct, as described above, constitutes using fraudulent or
15 dishonest practices, or demonstrating incompetence, untrustworthiness or financial
16 irresponsibility in the conduct of business in this state or elsewhere within the meaning of A.R.S.
17 § 20-295(A)(8).

18 4. Respondent's conduct, as described above, constitutes a failure to inform the
19 Director in writing within thirty days of a change in business address within the meaning of
20 A.R.S. § 20-286(C)(1).

21 5. Grounds exist for the Director to deny, suspend for not more than twelve months,
22 revoke or refuse to renew an insurance producers license or impose a civil penalty, pursuant to
23 A.R.S. §§ 20-295(A) and (F).

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ORDER

IT IS HEREBY ORDERED THAT:

The resident insurance producer license of **Timothy Justin Knauf** (National Producer Number 18757249) is revoked, effective immediately upon filing of this Order.

DATED AND EFFECTIVE this 1st day of July 2019



Keith A. Schraad
Director of Insurance

CONSENT TO ORDER

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

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

3. Respondent is aware of his right to notice and to a hearing, at which he may be represented by counsel, present evidence and examine witnesses. Respondent irrevocably waives his right to such notice and hearing and to any court appeals relating to this Consent Order.


4. Respondent states that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to him to induce him to enter into this Consent Order and that he has entered into this Consent Order voluntarily.

5. Respondent acknowledges that the acceptance of this Consent Order by the Director is solely to settle this matter against him and does not preclude any other agency,

1 officer, or subdivision of this state including the Department from instituting civil or criminal
2 proceedings as may be appropriate now or in the future.

3 6. Respondent acknowledges that this Consent Order is an administrative action the
4 Department will report to the National Association of Insurance Commissioners (NAIC) and that
5 he may have to report this administrative action on any future licensing applications either to
6 the Department or other states' Departments of Insurance.

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8 06/20/2019
Date



Timothy Justin Knauf (NPN 18757249)

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14 **COPY** of the foregoing mailed this
15 8th day of July, 2019, to:

16 Timothy Justin Knauf
17 1031 S. Stewart St., # 1095
18 Mesa, AZ 85202
19 Respondent

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

21 Mary Kosinski, Executive Assistant for Regulatory Affairs
22 Catherine M. O'Neil, Consumer Legal Affairs Officer
23 Steven Fromholtz, Assistant Director, Consumer Protection Division
24 Sharyn Kerr, Administrative Assistant
Lawrence Bevins, Investigator
Aqueelah Currie, Licensing Supervisor
Arizona Department of Insurance
100 N. 15th Avenue, Suite 102
Phoenix, AZ 85007-2624

1 **COPY** sent same date via electronic mail to:

2 Timothy Justin Knauf
3 timknauf@yahoo.com

4 Respondent

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Francine Martinez
Francine Martinez

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