

SEP 30 2019

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY AS 9/30/2019

In the Matter of:

**MACIAS, ARMANDO**  
(National Producer Number 18581000)

No. 19A-142-INS

and

**CONSENT ORDER**

**A & G INSURANCE ENTERPRISES LLC**  
**dba ARMANDO MACIAS INSURANCE**  
**AGENCY**  
(National Producer Number 18662556)

**Respondents.**

The State of Arizona Department of Insurance ("Department") has received evidence that **Armando Macias** ("Macias") and **A & G Insurance Enterprises, LLC dba Armando Macias Insurance Agency** ("A&G") violated provisions of Title 20, Arizona Revised Statutes ("A.R.S."). 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**

1. Macias was, at all material times, licensed as an Arizona resident life, accident and health or sickness, casualty, and property insurance producer. The Department issued Macias' license, number 18581000, lines of authority in property and casualty insurance on October 24, 2017 and life and accident and health or sickness insurance on November 13, 2017. The license is scheduled to expire on May 31, 2021.

1           2.     Macias' addresses of record are: 3939 South Avenue 3E, Suite 111, Yuma,  
2 Arizona, 85365 (business); 1715 South 42<sup>nd</sup> Avenue, Yuma, Arizona 85364 (mailing);  
3 [armandonev2@yahoo.com](mailto:armandonev2@yahoo.com) (business email).

4           3.     A&G is, and was at all material times, an Arizona business entity licensed as a  
5 resident life, accident and health or sickness, casualty, and property insurance producer. The  
6 Department issued license, number 18662556, on January 4, 2018. The license is scheduled  
7 to expire on January 31, 2022.

8           4.     A&G's addresses of record are: 3939 South Avenue 3E, Suite 111, Yuma,  
9 Arizona, 85365 (business and mailing); and [Amacias2@allstate.com](mailto:Amacias2@allstate.com) (business e-mail).

10          5.     Macias is a Member and the Designated Responsible Licensed Producer of  
11 A&G.

### **Department Complaint**

12          6.     On or about July 10, 2017, The Department received a "Termination for Cause"  
13 notice from Allstate Insurance Company ("Allstate") stating that it had terminated producer  
14 Joanna Toledo ("Toledo") for policy falsification. At the time of Toledo's termination, she was  
15 employed by the Anna Vargas Allstate Agency. This Agency was purchased by Macias on or  
16 about November 2017 and he officially opened his Agency on or about December 1, 2017.

17          7.     On or about April 14, 2018, The Department received a complaint that Toledo  
18 was working for Macias under the assumed name and producer license number of Patricia  
19 Alvarez-Rodriguez ("Alvarez"). The complaint alleged that Macias was aware of Toledo's true  
20 identity and was paying Toledo cash in order to conceal her true identity from Allstate.  
21

22          8.     On or about June 13, 2019, the Department conducted an Examination Under  
23 Oath ("EUO") with Alvarez who was identified by her Arizona Driver's License. Alvarez stated  
24

1 Toledo admitted to using her name and license number in order to continue writing for  
2 Allstate.

3 9. On or about July 23, 2019, The Department conducted an EUO with Macias.  
4 Macias stated he finalized the purchase of the Agency on December 1, 2017. Macias stated  
5 that Toledo was already working at the Allstate Agency when he purchased it from Anna  
6 Vargas and that Toledo was using the name Alvarez without his knowledge.

7 10. Macias confirmed Toledo worked at his Agency from December 2017 until April  
8 2019 and stated that Toledo received payments in cash during her eighteen months of  
9 employment at his Agency. Macias stated that his other employees were paid through a  
10 payroll processing system called ADP but Toledo requested to be paid in cash. Macias stated  
11 he honored Toledo's request assuming she was on state benefit assistance and in hindsight  
12 realized this was a wrong decision on his part.

13 11. Macias stated that Toledo disclosed to him her true identity after she terminated  
14 employment with A&G.

15 12. Allstate confirmed that binding authority for Toledo using the assumed name of  
16 Alvarez was issued on December 8, 2017. Allstate confirmed that Toledo (under the name  
17 Alvarez) bound and sold numerous policies during her tenure at A&G to include twenty three  
18 policies issued to consumers between December 2018 and April 2019.

19 **CONCLUSIONS OF LAW**

20 1. The Director ("Director") has jurisdiction over this matter.

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

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

5           4.       Respondent's conduct, as described above, constitutes paying a commission,  
6 service fee, brokerage or other valuable consideration to a person for selling, soliciting or  
7 negotiating insurance in this state if that person is required to be licensed and is not so  
8 licensed, within the meaning of A.R.S. § 20-298(A).

9           5.       Grounds exist for the Director to deny, suspend for not more than twelve  
10 months, revoke, or refuse to renew the insurance producer's license or the license of a  
11 business entity if the director finds that an individual's insurance producer's violation was  
12 known or should have been known by the designated producer or one or more of the  
13 members, officers, directors, or managers acting on behalf of the business entity and the  
14 violation was not seasonably reported to the director and no reasonable corrective action was  
15 taken, pursuant to A.R.S. § 20-295 (A) and (B)(2).

16           6.       Grounds exist, in addition to or instead of any suspension, revocation or refusal  
17 to renew a license, the Director may impose a civil penalty of not more than two hundred fifty  
18 dollars for each unintentional failure or violation up to an aggregate civil penalty of two  
19 thousand five hundred dollars, pursuant to A.R.S. § 20-295(F)(1).

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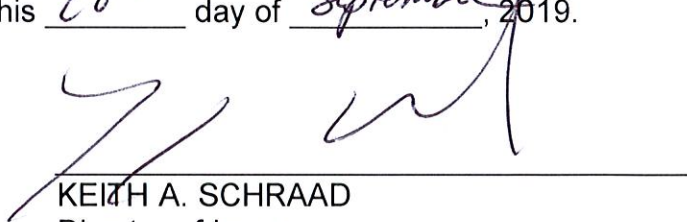
1 ORDER

2 IT IS HEREBY ORDERED THAT:

3 1. **Armando Macias**, National Producer Number 18581000, and **A & G Insurance**  
4 **Enterprises, LLC**, National Producer Number 1866556, shall immediately pay a civil penalty  
5 of \$2,500 for deposit into the state general fund.

6 2. Respondents are jointly and severally responsible for payment of the civil penalty.

7 DATED AND EFFECTIVE this 26<sup>th</sup> day of September, 2019.

8  
9   
10 \_\_\_\_\_  
11 KEITH A. SCHRAAD  
12 Director of Insurance

13 CONSENT TO ORDER

14 1. Respondents have reviewed the foregoing Findings of Fact, Conclusions of Law  
15 and Order.

16 2. Respondents admit the jurisdiction of the Director of Insurance, State of Arizona,  
17 and admit the foregoing Findings of Fact and consent to the entry of the foregoing Conclusions  
18 of Law and Order.

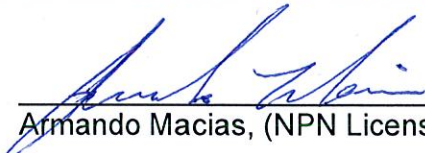
19 3. Respondents are aware of their right to notice and to a hearing, at which they may  
20 be represented by counsel, present evidence and examine witnesses. Respondents  
21 irrevocably waive their right to such notice and hearing and to any court appeals relating to this  
22 Consent Order.

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

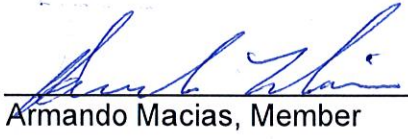
4 5. Respondents acknowledge that the acceptance of this Consent Order by the  
5 Director is solely to settle this matter against them and does not preclude any other agency,  
6 officer, or subdivision of this state including the Department from instituting civil or criminal  
7 proceedings as may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

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

12 7. Armando Macias represents that he is a member/manager of A & G Insurance  
13 Enterprises, LLC and, as such, is authorized to enter into this Consent Order on its behalf.

14 9-19-19  
15 Date   
Armando Macias, (NPN License No. 18581000)

16 A&G Insurance Enterprises, LLC  
17 (NPN License No. 1866556)

18 9-19-19  
19 Date   
Armando Macias, Member

20 ...  
21 ...  
22 ...

1 **COPY** of the foregoing mailed/delivered  
this 1st day of October, 2019, to:

2 Armando Macias  
3 1715 S 42<sup>nd</sup> Ave  
4 Yuma, AZ 85364

5 Respondent

6 Armando Macias

7 A & G Insurance Enterprises, LLC

8 3939 S Ave 3E, Suite 111

9 Yuma, AZ 85365

10 Respondents

11 A & G Insurance Enterprises, LLC

12 c/o Gabriel Nevarez

13 3939 S Ave 3E, Suite 111

14 Yuma, AZ 85365

15 Statutory Agency for Respondent A & G Insurance Enterprises, LLC

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

17 Mary Kosinski, Regulatory Legal Affairs Officer

18 Catherine M. O'Neil, Consumer Legal Affairs Officer

19 Steven Fromholtz, Assistant Director, Consumer Protection Division

20 Sharyn Kerr, Administrative Assistant, Consumer Protection Division

21 Aqueelah Currie, Licensing Supervisor

22 Jeff Eavenson, Investigator

23 Arizona Department of Insurance

24 100 N. 15<sup>th</sup> Avenue, Suite 102

Phoenix, Arizona 85007-2624

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

Armando Macias

[armandonev2@yahoo.com](mailto:armandonev2@yahoo.com)

Respondent

A & G Insurance Enterprises, LLC

[Amacias2@allstate.com](mailto:Amacias2@allstate.com)

Respondent

  
Francine Martinez