

**STATE OF ARIZONA**

**DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

**In the Matter of:**

**DERRECK JACKSON**

(National Producer Number 17748116)

Respondent.

**No. 24A-055-INS**

**ORDER**

On February 24, 2025, the Office of Administrative Hearings, through Administrative Law Judge Samuel Fox, issued an Administrative Law Judge Decision (“Recommended Decision”). The Arizona Department of Insurance and Financial Institutions’ Director (“Director”) received the Recommended Decision on the same date, a copy of which is attached and incorporated by reference. Respondent failed to accept the Recommended Decision within ten days of receipt. Therefore, the Director has reviewed the Recommended Decision and enters the following:

1. The Director ADOPTS the Findings of Fact;
2. The Director ADOPTS the Conclusions of Law;
3. The Director ADOPTS the Recommended Order; and
4. The Department ORDERS that:
  - Derreck Jackson’s Arizona non-resident insurance producer license, National Producer Number 17748116, is revoked effective immediately.
  - Derreck Jackson shall immediately pay to the Department a civil money penalty in the amount of four thousand six hundred dollars (\$4,600.00).

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**NOTIFICATION OF RIGHTS**

Pursuant to Arizona Revised Statutes (“A.R.S.”) § 41-1092.09, Respondent may request a rehearing or review with respect to this Order by filing a written motion with the Department within 30 days after the date of this Order, setting forth the basis for relief under Arizona Administrative Code R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to the Superior Court.

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

DATED and EFFECTIVE this 12<sup>th</sup> day of March, 2025.

*Barbara D. Richardson*  
\_\_\_\_\_  
Barbara D. Richardson, Director  
Arizona Department of Insurance and Financial Institutions

1 **ORIGINAL** of the foregoing filed electronically  
this 12<sup>th</sup> day of March, 2025, to:

2 Samuel Fox, Administrative Law Judge  
3 <https://portal.azoah.com/submission>  
4 Office of Administrative Hearings

5 **COPY** of the foregoing mailed by U.S. First Class and  
6 Certified Mail, Electronic Receipt Requested, same date to:

7 Derreck Jackson  
8 6841 Domingo Dr.  
9 Rancho Murieta, CA 95683-9476  
*Respondent* 9489 0090 0027 6486 6605 29

10 **COPY** of the foregoing electronically delivered same date to:

11 Alena Caravetta, Regulatory Legal Affairs Officer  
12 Ana Starcevic, Project Specialist  
13 Steven Fromholtz, Licensing Manager  
14 Aqueelah Currie, Insurance Licensing Supervisor  
15 Linda Lutz, Legal Assistant  
16 Rachel Smith, Insurance Analyst  
17 Arizona Department of Insurance and Financial Institutions  
18 100 North 15th Avenue, Suite 261  
19 Phoenix, Arizona 85007

20 Derreck Jackson  
21 [Derreck.dj@gmail.com](mailto:Derreck.dj@gmail.com)  
22 *Respondent*

23 Zachary Howard, Assistant Attorney General  
24 [Zachary.Howard@azag.gov](mailto:Zachary.Howard@azag.gov)  
25 [AdminLaw@azag.gov](mailto:AdminLaw@azag.gov)  
26 *Attorney for the Arizona Department  
of Insurance and Financial Institutions*

27 *Ana Starcevic*  
\_\_\_\_\_

**IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

In the Matter of:  
 Derreck Jackson  
 (National Producer Number 17748116),  
 Respondent.

No. 24A-055-INS  
**ADMINISTRATIVE LAW JUDGE  
 DECISION**

**HEARING:** February 5, 2025.

**APPEARANCES:** Respondent failed to appear. Assistant Attorney General Zachary Howard appeared for the Department of Insurance and Financial Institutions.

**ADMINISTRATIVE LAW JUDGE:** Samuel Fox

**EXHIBITS ADMITTED INTO EVIDENCE:** Department Exhibits 1 through 9.

**FINDINGS OF FACT**

1. The Arizona Department of Insurance and Financial Institutions (Department) issued a Notice of Hearing, dated October 30, 2024, setting a hearing in the above-entitled matter for December 13, 2024, at 9:30 AM. The Department sent the Notice of Hearing to four physical addresses associated with Derreck Jackson (Respondent) and sent a copy by electronic mail to Respondent's email address of record.<sup>1</sup>

2. At the request of the Department, the hearing was rescheduled to February 5, 2025, at 1:00 PM. The Order Granting Continuance was emailed to Respondent's email address of record. Respondent failed to appear on February 5, 2025, and as of this Decision, Respondent has not contacted the Arizona Office of Administrative Hearings.

3. At the Hearing, the Department's witness, Insurance Analyst/Investigator Rachel Smith testified that the facts provided in the Notice of Hearing were accurate based on her knowledge of the matter, and she testified accordingly. The Tribunal finds

<sup>1</sup> See Not. of Hr'g.

1 that the Department's facts are supported by the documents and testimony, and it  
2 adopts them in full:

3 4. On April 19, 2023, the Department issued to Jackson an Arizona  
4 non-resident insurance producer license, National Producer Number  
17748116, with a line of authority in personal lines insurance. The license  
5 is scheduled to expire on September 30, 2026.

6 5. Jackson's addresses of record with the Department are: 6841  
7 Domingo Drive, Rancho Murieta, CA 95683 (business and mailing) and  
his e-mail is derreck.dj@gmail.com.

### 8 **Allstate Insurance Company Termination Notice**

9 6. On March 15, 2024, Allstate Insurance Company ("Allstate") sent  
10 notice to the Department that Jackson had been terminated for cause due  
to falsification.

11 7. In 2023, Allstate initiated an investigation of The Thorpe Agency<sup>[2]</sup>  
12 in Gilbert, Arizona, after an Allstate Field Business Conduct Compliance  
13 Consultant provided information "which suggested the Thorpe Agency  
may have falsified customer information on Auto and Homeowners policy  
applications to provide customers with insurance and lower premiums that  
they were not otherwise entitled to receive."

14 8. Jackson was working as an independent insurance producer during  
15 the time of the investigation and was one of the independent producers  
associated with The Thorpe Agency.

16 9. Allstate's Summary of Evidence ("Report"), dated February 20,  
17 2024, included the following information relevant to Respondent's actions:

18 a. "[E]leven new Auto policies were issued by the Thorpe Agency with  
19 declared prior insurance where the agency failed to provide any proof of  
20 prior insurance, provided insufficient proof, or the prior policy number  
appeared to be fictitious based on its unusual format of all letters and no  
21 numbers. We observed seven of the eleven were issued by LSP Derreck  
22 Jackson. We observed that five of the seven had a prior policy number  
with an unusual format of all letters and no numbers."

23 b. "Between August 1, 2023 and November 30, 2023, sixty-nine vehicles  
24 on fifty-seven policies were issued with the Farm Discount. A vehicle could  
25 receive the Farm Discount if it was used as a 'Farm Automobile' as  
defined in the Line 10 Auto Rules ... We observed thirty-four of the  
26 vehicles did not qualify ... as they were all four-door sedan style vehicles.  
All fifty-seven of the policies were issued by LSP Jackson."

27 <sup>2</sup> Allstate referred to an independent insurance producer, Jason Richard Thorpe ("Mr. Thorpe"), as The Thorpe Agency. Per his contract with Allstate, Mr. Thorpe was permitted to delegate his insurance business to other independent insurance producers.

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c. "Sixteen Auto policies were issued with the Multiple Policy Discount (MPD) where they didn't qualify for the same because no supporting line policy application was submitted on the date the Auto application was submitted. Fifteen of the sixteen were issued by Jackson ... "

d. "We spoke with two customers who each told us the prior insurance information declared on their policies issued by Jackson was inaccurate and did not match the information they provided to Jackson when they purchased the policy."

10. The Report provided statements from Jackson that he made during a recorded interview with an Allstate investigator. Jackson's statements included, in part:

- His denial of falsifying ... information so that customers could receive discounts or lower premiums;
- Regarding the statement from customer Fierros, he made a mistake and input Farmers when he meant State Farm for prior insurance;
- Regarding the statement from customer Miller, he stated she must have told him something different when he issued the policy about her prior insurance than she told us;
- He thought the MPD automatically was removed by the Company (because he had seen it occur) if the policy did not qualify so he was not concerned if he didn't remove the discount himself;
- He acknowledged he used the Farm Discount more than he should in certain circumstances. He did not obtain vehicle usage information from every customer he provided with the Farm Discount and gave them the Discount based on his assumptions about their vehicle usage because their address appeared to be in a rural area.
- He denied using placeholder prior insurance policy numbers and had no explanation for the inaccurate policy numbers with only letters that we observed.

**Department's Investigation**

11. On April 22, 2024, the Department asked Jackson to provide a narrative response to Allstate's allegations, submit documents, and provide his availability to appear for an On-the-Record interview.

12. On April 22, 2024, Jackson provided a narrative response where he denied the allegations of falsification. Jackson did not submit any documents or provide his availability for an interview.

13. The Department sent Jackson an email that same day (April 22, 2024) requesting that he provide his availability for an interview. Jackson did not respond.

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14. On May 14, 2024, the Department sent Jackson an email advising that the interview was mandatory and that if he did not provide his availability, a subpoena demanding his appearance would be issued.

15. On May 16, 2024, Jackson sent an email response stating, "Ok, May 24'h at 3pm. Ill [sic] see what I can do to fit u [sic] in my full time work schedule."

16. Jackson did not appear for the interview.<sup>3</sup>

17. The Department put forward four specific examples of where Respondent apparently made intentional misrepresentations to get customers a lower price than they would have qualified for without the misrepresentations.<sup>4</sup>

18. On April 22, 2024, Respondent said the following in an email to the Department:

[It] cannot be said that I wasn't an excellent employee and loved by a majority of customers there and made that Agency lots of money & extremely successful; I worked for them for 3 years and never had any issues with Allstate Corporate or disciplinary problems; and in fact I was one of the top 10 reps in all of Ca at the Allstate LSP Forum 2 years running before covid took that away. . . .

It seems to me Allstates game is to hire sales people and create a situation where it is impossible to get any sales in good faith without someone bending or breaking their underwriting rules, but they don't make the rules Clear or Enforce those rules on a consistent basis or in good faith until a time of their choosing or they decide to throw someone(usually always an LSP under the bus).<sup>5</sup>

While not strictly an admission of intentional fraud, Respondent indicated that he was very successful; then, he stated it was impossible to be successful without cheating.

**CONCLUSIONS OF LAW**

1. Respondent was deemed to have received notice in this matter.<sup>6</sup>

2. The Director had jurisdiction over this matter.<sup>7</sup> The matter was properly brought before the Office of Administrative Hearings pursuant to A.R.S. § 41-1092 *et seq.*

<sup>3</sup> See Not. of Hr'g.

<sup>4</sup> See Dept. Exh. 4-7; *see also* Smith Testimony.

<sup>5</sup> See Dept. Exh. 8 (errors in the original).

<sup>6</sup> See A.R.S. § 41-1092.04; A.R.S. § 41-1061(A).

<sup>7</sup> See A.R.S. § 20-281 *et seq.*

1           3. Pursuant to A.R.S. § 41-1092.07(G)(2), at “a hearing on an agency action  
 2 to suspend [or] revoke . . . a license or permit, the agency has the burden of  
 3 persuasion.” The burden of persuasion is by a preponderance of the evidence.<sup>8</sup> A  
 4 preponderance of the evidence is such proof as convinces the trier of fact that the  
 5 contention is more probably true than not.<sup>9</sup>

6           4. Pursuant to A.R.S. § 20-295(A), “[t]he director may deny, suspend for not  
 7 more than twelve months, revoke or refuse to renew an insurance producer’s license or  
 8 may impose a civil penalty in accordance with subsection F” for enumerated causes.  
 9 “[T]he director may . . . [i]mpose a civil penalty of not more than two hundred fifty dollars  
 10 for each unintentional failure or violation, up to an aggregate civil penalty of two  
 11 thousand five hundred dollars. . . [and] not more than two thousand five hundred dollars  
 12 for each intentional failure or violation, up to an aggregate civil penalty of fifteen  
 13 thousand dollars.”<sup>10</sup>

14           5. “Using fraudulent, coercive or dishonest practices, or demonstrating  
 15 incompetence, untrustworthiness or financial irresponsibility in the conduct of business  
 16 in this state or elsewhere” is one enumerated cause, which may result in revocation an  
 17 civil penalties.<sup>11</sup>

18           6. Respondent failed to appear; accordingly, only the Department’s evidence  
 19 has been admitted to the record.

20           7. The preponderance of the evidence established the following violations of  
 21 A.R.S. § 20-295(A)(8):

- 22           a. Finding of Fact 9(a) established by a preponderance of the  
 23 evidence, seven violations of A.R.S. § 20-295(A)(8).

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 26 <sup>8</sup> A.C.C. R2-19-119(A).

<sup>9</sup> MORRIS K. UDALL, ARIZONA LAW OF EVIDENCE § 5 (1960).

<sup>10</sup> A.R.S. § 20-295(F)(1)–(2).

<sup>11</sup> A.R.S. § 20-295(A)(8).

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b. Finding of Fact 9(b) established by a preponderance of the evidence at least thirty-four violations of A.R.S. § 20-295(A)(8).

c. Finding of Fact 9(c) established by a preponderance of the evidence fifteen violations of A.R.S. § 20-295(A)(8).

8. Based on the facts above, it is more likely than not that all of the violations were intentional.

**RECOMMENDED ORDER**

**IT IS RECOMMENDED** that Respondent’s National Producer Number 17748116, be revoked and a civil penalty of \$4,600.00 should be imposed based on the following recommendations.

**IT IS RECOMMENDED** that for each of the 4 specific examples identified by the Department a single violation from each example should have imposed a civil penalty of \$500 upon Respondent in the total amount of \$2,000.<sup>12</sup>

**IT IS RECOMMENDED** that for the 52 other violations a civil penalty of \$50 per violation should be imposed upon Respondent resulting in a civil penalty amount of \$2,600.

***Pursuant to A.R.S. § 41-1092.08(l), the licensee may accept the Administrative Law Judge Decision by advising the Office of Administrative Hearings in writing not more than ten (10) days after receiving the decision. If the licensee accepts the Administrative Law Judge Decision, the decision shall be certified as the final decision by the Office of Administrative Hearings.***

***In the event of certification of the Administrative Law Judge Decision by the Director of the Office of Administrative Hearings, the effective date of the Order will be forty (40) days from the date of that certification.***

Done this day, February 24, 2025.

/s/ Samuel Fox  
Administrative Law Judge

<sup>12</sup> The specific examples included more than four violations. However, for the purpose of civil penalties, a single violation in each example identified by the department should be treated within this higher penalty category. The other violations within the examples identified should be treated in the general category.

1 Transmitted by either mail, e-mail, or facsimile to:

2 Barbara D. Richardson,  
3 Department of Insurance and Financial Institutions - Insurance

4 Derreck Jackson  
5 derreck.dj@gmail.com

6 Zachary Howard  
7 Office of the Attorney General  
8 zachary.howard@azag.gov

9 By: OAH Staff

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