

STATE OF ARIZONA  
Department of Insurance and Financial Institutions  
**FILED** December 24, 2024 by MK

**STATE OF ARIZONA**

**DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

In the Matter of:

**NED DERICKSON**

**(National Producer Number 7254668)**

Respondent

**No. 24A-077-INS**

**ORDER**

On December 3, 2024, the Office of Administrative Hearings, through Administrative Law Judge Samuel Fox, issued an Administrative Law Judge Decision (“Recommended Decision”). The Director of the Arizona Department of Insurance and Financial Institutions (“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 Director ORDERS that Ned Derickson’s Arizona resident insurance producer license, National Producer Number 7254668, is revoked effective immediately.

**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.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

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 24<sup>th</sup> day of December, 2024.

*Barbara D. Richardson*

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

1 **E-FILE** of the foregoing delivered electronically  
this 24<sup>th</sup> day of December, 2024, 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  
6 Regular Mail and U.S. Certified Mail,  
Electronic Receipt Requested, same date to:

7 Ned Derickson  
8 99 Rainbow Rd.  
9 Edgewood, NM 87015  
Respondent 9489 0090 0027 6606 0710 37

10 Ned Derickson  
11 8847 N. Cricket Pl.  
12 Tucson, AZ 85742  
Respondent 9489 0090 0027 6606 0710 44

13 Ned Derickson  
14 11356 Caliche Dr.  
15 Marana, Arizona 85658  
Respondent 9489 0090 0027 6606 0710 51

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

17 Alena Caravetta, Regulatory Legal Affairs Officer  
18 Ana Starcevic, Project Specialist  
19 Rachel Smith, Insurance Analyst  
20 Mayra Kariem, Insurance Analyst  
21 Steven Fromholtz, Licensing Manager  
22 Aqueelah Currie, Insurance Licensing Supervisor  
23 Linda Lutz, Legal Secretary  
Arizona Department of Insurance and Financial Institutions  
100 North 15th Avenue, Suite 261  
Phoenix, Arizona 85007

24 Ned Derickson  
25 Ned.Derickson@gmail.com  
26 Respondent

1 Zachary Howard, Assistant Attorneys General  
2 Zachary.Howard@azag.gov  
3 Attorney for the Arizona Department  
4 of Insurance and Financial Institutions

5 *Mayra Kariem*  
6 \_\_\_\_\_

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

In the Matter of:  
  
Ned Wesley Derickson,  
(National Producer Number 7254668),  
Respondent.

No. 24A-077-INS  
  
**ADMINISTRATIVE LAW JUDGE  
DECISION**

**HEARING:** November 13, 2024.

**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 11.

**FINDINGS OF FACT**

1. The Arizona Department of Insurance and Financial Institutions (Department) issued a Notice of Hearing, dated October 3, 2024, setting a hearing in the above-entitled matter for November 13, 2024, at 9:30 AM. The Department sent the Notice of Hearing to four physical addresses associated with Ned Wesley Derickson (Respondent) and sent a copy by electronic mail to Respondent's email address of record.<sup>1</sup>

2. The Hearing was actually scheduled to occur on November 13, 2024, at 1:00 PM. Assistant Attorney General Zachary Howard called Respondent at his phone number of record and sent a Notice of Errata to Respondent's email address of record.<sup>2</sup>

3. Respondent failed to appear on November 13, 2024, and as of this Decision, Respondent has not contacted the Arizona Office of Administrative Hearings.

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

<sup>2</sup> See Not. of Err.

1           4.     At the Hearing, the Department's witness, Insurance Analyst/Investigator  
2 Rachel Smith testified that the facts provided in the Notice of Hearing were accurate  
3 based on her knowledge of the matter.

4           5.     The Tribunal finds that the Department's facts are supported by the  
5 documents and testimony, and it adopts them in full:

6           4.     On March 1, 2021, the Department issued to Respondent a resident  
7 insurance adjuster license, License Number 7254668. The license is  
8 scheduled to expire February 28, 2025.

9           5.     Respondent's address of record with the Department is 8847 N.  
10 Cricket Place, Tucson, AZ 85742 (Mailing, Residence, and Business  
11 Address). The e-mail address of record with the Department is  
12 NED.DERICKSON@gmail.com.

13           6.     On March 6, 2024, the Department received an e-mail from Ray  
14 Derickson inquiring whether an adjuster must live in Arizona to hold a  
15 resident license. After a follow-up from the Department, Ray Derickson  
16 alleged that his brother, Respondent, had moved from Arizona to New  
17 Mexico years prior but had not updated his address with the Department.  
18 The Department then initiated an investigation.

19           7.     On April 8, 2024, the Department's investigator followed up with Ray  
20 Derickson who confirmed that Respondent's New Mexico address was 99  
21 Rainbow Rd., Edgewood, New Mexico 87015.

22           8.     The Department's investigator reviewed Pima County Assessor  
23 records, which showed that Respondent sold 8847 N. Cricket Pl., Tucson,  
24 AZ 85743 on March 2, 2018, to Christina Smith and Dennis Smith. The  
25 records also showed that Respondent does not currently own any other  
26 property in Pima County. Respondent did not update his address on his  
27 most recent renewal application submitted on February 21, 2021.

          9.     The Department's investigator also reviewed the New Mexico Santa  
Fe County Assessor records which reflect the Respondent is the owner of  
0 Rainbow Rd., Edgewood, New Mexico 87015 and 99 Rainbow Rd.,  
Edgewood, New Mexico 87015.

          10.    The Department's investigator also discovered that Respondent's  
adjuster and insurance producer licenses are expired in New Mexico.

**Department Correspondence with Respondent**

          11.    On April 24, 2024, the Department's investigator sent an e-mail to  
Respondent asking about his current address and to confirm his current  
address.

          12.    Respondent sent a brief response on April 30, 2024, wherein he  
denied falsely reporting his address on his most recent renewal

1 application while also stating he had not conducted any claims since June  
2 2023. Respondent further claimed that 99 Rainbow Rd. Edgewood, New  
3 Mexico 87015 is his secondary address, and that his primary address is  
4 11356 Caliche Dr., Marana, Arizona 85658.

5 13. The Department's investigator reviewed the Pima County Assessor  
6 records which reflect that 11356 Caliche Dr. Marana, Arizona 85658 is  
7 owned by Thomas Fierros and Mary Ann Fierros. The investigator sent a  
8 letter to this address on May 8, 2024, requiring Respondent to respond  
9 with the original envelope enclosed and proof of residency. The letter was  
10 not delivered due to a lack of authorized recipients.

11 14. Respondent was offered the opportunity to voluntarily surrender his  
12 license but did not respond.

13 15. In June 2024, the Department contacted Respondent via phone  
14 who stated he had not received the Department's letter and would have  
15 the homeowner, Tommy Fierros, contact the Department to confirm  
16 Respondent's residency at 11356 Caliche Dr., Marana, Arizona 85658.

17 16. On June 29, 2024, the Department received an e-mail from  
18 someone claiming to be Tommy Fierros stating that Respondent rents a  
19 room at his house and that he mailed the Department a copy of the utility  
20 bill. This mailing was never received by the Department.<sup>3</sup>

21 **CONCLUSIONS OF LAW**

22 1. The Director had jurisdiction over this matter.<sup>4</sup>

23 2. Respondent was deemed to have received notice in this matter.<sup>5</sup>

24 3. The matter was properly brought before the Office of Administrative  
25 Hearings pursuant to A.R.S. § 41-1092 *et seq.*

26 4. Pursuant to A.R.S. § 41-1092.07(G)(2), at "a hearing on an agency action to  
27 suspend [or] revoke . . . a license or permit, the agency has the burden of persuasion."

28 5. The burden of persuasion is by a preponderance of the evidence. A.C.C.  
29 R2-19-119(A).

30 6. "A preponderance of the evidence is such proof as convinces the trier of fact  
31 that the contention is more probably true than not."<sup>6</sup>

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

33 <sup>4</sup> See A.R.S. § 20-281 *et seq.*

34 <sup>5</sup> See A.R.S. § 41-1092.04; A.R.S. § 41-1061(A).

35 <sup>6</sup> MORRIS K. UDALL, ARIZONA LAW OF EVIDENCE § 5 (1960).

1 7. Respondent failed to appear; accordingly, only the Department's evidence  
2 has been admitted to the record.

3 8. A.R.S. § 20-295(A)(1) prohibited "[p]roviding incorrect, misleading,  
4 incomplete or materially untrue information in the license application."

5 9. A.R.S. § 20-295(A)(2) prohibited "[v]iolating any provision of this title or any  
6 rule, subpoena or order of the director."

7 10. A.R.S. § 20-287(B) required an Arizona resident insurance producer who  
8 moved from Arizona to another state to provide certain information to the Department.

9 11. The preponderance of the evidence established that Respondent provided  
10 incorrect and materially untrue information in his license application.

11 12. The preponderance of the evidence established that Respondent violated  
12 one or more provisions of this title.

13 **RECOMMENDED ORDER**

14 **IT IS RECOMMENDED** that Respondent's National Producer Number 7254668,  
15 be revoked.

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

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

24 Done this day, December 3, 2024.

25 /s/ Samuel Fox  
26 Administrative Law Judge

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

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

Ned Wesley Derickson  
ned.derickson@gmail.com

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

By: OAH Staff