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STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPARTMENT OF INSURANCE
By 

In the Matter of:)	
)	No. 8603
GUY THOMAS JOHNSON,)	
)	
Respondent.)	CONSENT ORDER
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A Notice of Hearing was issued by the Director ("Director") of the Arizona Department of Insurance (the "Department") on December 1, 1994, wherein the Department made certain allegations of violations of A.R.S. Title 20 committed by Respondent. Respondent has received a copy of the Notice and has been advised of his right to a hearing in this matter, which he waives.

Respondent admits Findings of Fact 6-11 are true and neither admits nor denies the remaining Findings of Fact, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Guy Thomas Johnson ("Respondent") is currently licensed as a property and casualty insurance agent by the State of Arizona (License No. 18644). That license expires March 31, 1996.

2. On or about April 21, 1994, Respondent met Daryl Barkley ("Barkley") at Bell Ford and completed an application for an automobile insurance policy for Barkley. On Barkley's

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1 application, Respondent signed Eric Koslow's name on the line
2 marked "Agent's Signature." At the same time, Respondent
3 received \$409.00 from Barkley and signed the receipt for the
4 \$409.00 utilizing his own name.

5 3. On or about April 23, 1994, Respondent met with
6 Raquel Gaitan ("Gaitan") and completed an application for an
7 automobile insurance policy for Gaitan. On Gaitan's application,
8 Respondent signed Eric Koslow's name on the line marked "Agent's
9 Signature." At the same time, Respondent received \$229.00 from
10 Gaitan and signed the receipt for the \$229.00 utilizing his own
11 name.

12 4. On or about May 5, 1994, Respondent met Marlene
13 Tilden ("Tilden") at Ugly Duckling Car Sales and completed an
14 application for an automobile insurance policy for Tilden through
15 American Global Insurance Company ("American Global"). At the
16 same time, Respondent received \$3,350.00 cash from Tilden and
17 issued her a signed receipt.

18 5. Respondent failed to forward the application and
19 \$3,350.00 premium to American Global.

20 6. On or about June 18, 1994, Respondent met Clyde
21 Smith ("Smith") at Pioneer Ford and completed an application for
22 an automobile insurance policy for Smith through Midland Risk
23 Insurance Company ("Midland"). At the same time, Respondent
24 received \$190.00 premium from Smith.

25 7. Respondent represented to Smith that he had
26 purchased 25 files from Budget West and that all future payments

should be made payable to him and sent directly to him.

1 8. Respondent failed to forward the application and
2 \$190.00 premium to Midland.

3 9. On or about June 4, 1994, Kathy Noble ("Noble") met
4 Respondent at Camelback Liquidators for the purpose of obtaining
5 an automobile insurance policy. Noble gave Respondent a \$25.00
6 check for an insurance binder until she could meet with Johnson
7 to fill out an application.

8 10. On or about June 6, 1994, Respondent met with Noble
9 and completed an application for an automobile insurance policy
10 through Midland. At the same time, Respondent received \$205.67
11 from Noble as a down payment on the policy. Respondent had Noble
12 complete a finance agreement for payments of \$144.00 per month.
13 Respondent told Noble to make her payments directly to him.

14 11. Respondent failed to forward Noble's application
15 and premium to Midland.

16 CONCLUSIONS OF LAW

17 1. The Director has jurisdiction over this matter.

18 2. Respondent's conduct described above constitutes a
19 record of dishonesty in business or financial matters under
20 A.R.S. § 20-290(B)(2).

21 3. Respondent's conduct described above constitutes
22 the existence of any cause for which original issuance or any
23 renewal of an insurance license could have been refused such that
24 Respondents' licenses may be suspended or revoked pursuant to
25 A.R.S. §§ 20-316(A)(1), together with 20-290(B)(2).

1 4. Respondent's conduct described above constitutes a
2 wilful violation of, or wilful noncompliance with, any provision
3 of this title, or any lawful rule, regulation or order of the
4 director in violation of A.R.S. § 20-316(A)(2).

5 5. Respondent's conduct described above constitutes
6 misappropriation or conversion to their own use or illegal
7 withholding of monies belonging to policyholders, insurers,
8 beneficiaries or others and received in or during the conduct of
9 business under the license or through its use in violation of
10 A.R.S. § 20-316(A)(4).

11 6. Respondent's conduct described above constitutes
12 conduct of affairs under the license showing the licensee to be
13 incompetent or a source of injury and loss to, or repeated
14 complaint by, the public or any insurer in violation of A.R.S.
15 § 20-316(A)(7).

16 7. Grounds exist for the Director to suspend, revoke
17 or refuse to renew Respondent's insurance licenses, impose a
18 civil penalty upon Respondent, and/or order restitution, pursuant
19 to A.R.S. § 20-316(A) and 20-316(C).

20 ORDER

21 NOW, THEREFORE, IT IS ORDERED:

22 1. That the license of Respondent is immediately
23 revoked upon the entry of this Consent Order.

24 2. Respondent is hereby assessed a civil penalty
25 pursuant to A.R.S. § 20-316(C) in the amount of \$1,500.00.

26 3. Respondent shall make restitution to the following

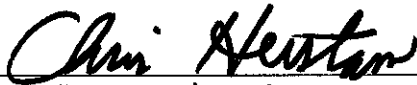
individuals in the amounts listed below:

1 a. Clyde Smith \$ 190.00
2 b. Kathy Noble \$ 230.67

3 4. Said civil penalty and restitution shall be paid
4 within ninety days of the entry of this Consent Order.

5 5. The Hearing set for January 24, 1995 is vacated.

6 DATED in Phoenix, Arizona this 24th day of January,
7 1995.

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9 
10 CHRIS HERSTAM, Director
11 Arizona Department of Insurance

12 CONSENT TO ORDER

13 1. The undersigned acknowledges that he has read the
14 foregoing Findings of Fact, Conclusions of Law and Order and is
15 aware of his right to an administrative hearing in this matter
16 and has waived same.

17 2. The undersigned admits the jurisdiction of the
18 Department and admits Findings of Fact 6-11 relative to Smith and
19 Noble only and neither admits nor denies the remaining Findings
20 of Fact, and consents to the entry of the foregoing Conclusions
21 of Law and Order.

22 3. The undersigned states that no promises were made
23 to him to induce him to enter into this Consent Order and
24 declares that he has entered into this Consent Order voluntarily.

25 4. The undersigned acknowledges that acceptance of
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1 this Consent Order is for the purpose of settling this litigation
2 as against him and does not preclude the Department, or any other
3 agency or officer of this State, or subdivision thereof, from
4 instituting other civil or criminal proceedings as may be
5 appropriate now or in the future.

6 5. The undersigned waives all rights to challenge such
7 Findings of Fact, Conclusions of Law and Order on appeal or
8 otherwise, and agrees to be bound by the foregoing Order.

9 Date: 1-23-95

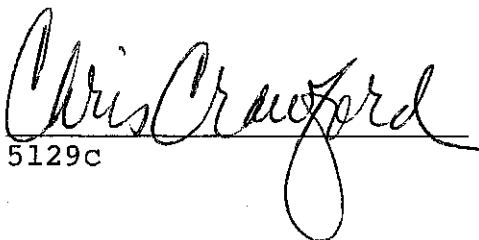

10 GUY THOMAS JOHNSON

11 COPY of the foregoing mailed this
12 24th day of January, 1995, to:

13 Kathryn Leonard
14 Assistant Attorney General
15 1275 West Washington, Room 259
16 Phoenix, Arizona 85007

17 Gay Ann Williams, Deputy Director
18 Charles R. Cohen, Executive Assistant Director
19 John Gagne, Acting Manger of Investigations
20 Arnold Sniegowski, Investigator
21 Maureen Catalioto, Supervisor
22 Department of Insurance
23 2910 North 44th Street, Suite 210
24 Phoenix, Arizona 85018

25 Kent Jackson
26 202 E. McDowell Road, #135
Phoenix, AZ 85004-4533
Attorney for Respondent


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