

**STATE OF ARIZONA**

**DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

**In the Matter of:**

**SARKISIAN, HAROUT**

(National Producer No. 17633096)

Respondent

**No. 22A-014-INS**

**ORDER**

On July 15, 2022, the Office of Administrative Hearings, through Administrative Law Judge Thomas Shedden, 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 July 18, 2022, a copy of which is attached and incorporated by reference. The Director has reviewed the Recommended Decision and enters the following:

1. The Director ADOPTS the Recommended Findings of Fact.
2. The Director ADOPTS the Recommended Conclusions of Law.
3. The Director ADOPTS the Recommended Order and ORDERS:

Harout Sarkisian’s Arizona resident insurance producer license, number 17633096, 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 Director 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 Respondent may appeal the final decision of the Director to the Superior Court of  
2 Maricopa County for judicial review, pursuant to A.R.S. § 20-166. A party filing an appeal  
3 must notify the Office of Administrative Hearings of the appeal within ten days after filing the  
4 complaint commencing the appeal, pursuant A.R.S. § 12-904(B).

5 DATED and EFFECTIVE this 27th day of July, 2022.

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9 Evan G. Daniels, Director  
Arizona Department of Insurance and  
Financial Institutions

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1 **COPY** of the foregoing electronically transmitted  
this 2<sup>nd</sup> day of August, 2022, to:

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

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

6 Harout Sarkisian 9489 0090 0027 6384 9748 27  
7 16880 W. Jackson St.  
8 Goodyear, AZ 85338-2798  
9 Respondent

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

11 Deian Ousounov, Assistant Director  
12 Gio Espinosa, Regulatory Legal Affairs Officer  
13 Catherine O'Neil, Consumer Legal Affairs Officer  
14 Ana Starcevic, Paralegal Project Specialist  
15 Steven Fromholtz, Division Manager  
16 Aqueelah Currie, Licensing Supervisor  
17 Wendy Greenwood, Investigations Supervisor  
18 Linda Lutz, Legal Assistant  
19 Arizona Department of Insurance and Financial Institutions  
20 100 North 15th Avenue, Suite 261  
21 Phoenix, Arizona 85007

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

23 Harout Sarkisian  
24 [harry.a.sarkisian@gmail.com](mailto:harry.a.sarkisian@gmail.com)  
25 Respondent

26 James Rolstead, Assistant Attorney General  
[James.Rolstead@azag.gov](mailto:James.Rolstead@azag.gov)  
[AdminLaw@azag.gov](mailto:AdminLaw@azag.gov)  
Attorney for the Arizona Department of Insurance and Financial Institutions

*Ana Starcevic*

**IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

In the Matter of:

No. 22A-014-INS

Sarkisian, Harout  
(National Producer License No. 17633096)

**ADMINISTRATIVE LAW JUDGE  
DECISION**

Respondent

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**HEARING:** June 27, 2022

**APPEARANCES:** Harout Sarkisian on his own behalf; James Rolstead, Esq. for the  
Department of Insurance and Financial Institutions

**ADMINISTRATIVE LAW JUDGE:** Thomas Shedden

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**FINDINGS OF FACT**

1. On May 16, 2022, the Arizona Department of Insurance and Financial Institutions (“Department”) issued a Notice of Hearing and Complaint setting the above-captioned matter for hearing on June 27, 2022 at the Office of Administrative Hearings.
2. Through its Complaint, the Department alleged that Respondent Harout Sarkisian failed to report that through a Final Order dated July 26, 2021, the New Mexico Office of Superintendent of Insurance revoked his non-resident producer’s license, and that Mr. Sarkisian had failed to properly update his email address of record.
3. The Department presented the testimony of its Administrative Enforcement Supervisor Wendy Greenwood.
4. Mr. Sarkisian appeared and testified on his own behalf.
5. Mr. Sarkisian is a licensed Arizona resident producer, holding National Producer Number 17633096 issued by the Department on January 30, 2019. Mr. Sarkisian’s license is due to expire on September 30, 2022.
6. Mr. Sarkisian was employed by United Services Automobile Association (“USAA”). In or about November 2020, USAA terminated his employment for cause having determined that he issued “Value Personal Property without express member consent.”

1 7. USAA sent letters advising some states in which Mr. Sarkisian was licensed that  
2 it had terminated his employment.

3 8. The Department has no record of receiving such a letter from USAA.

4 9. On January 12, 2021, Ms. Greenwood received from the Nevada Division of  
5 Insurance a copy of the letter Nevada received from USAA. After that, the Department  
6 received from licensing authorities in Ohio, North Carolina, Utah, and Delaware inquiries  
7 about whether it would act on Mr. Sarkisian's license.

8 10. Because the consumers who were affected by the allegations in USAA's letter to  
9 Nevada were not located in Arizona, as a matter of policy, the Department did not  
10 investigate those allegations. Ms. Greenwood testified that as such, the Department was  
11 not basing its decision to discipline Mr. Sarkisian's license on the underlying allegations  
12 made by USAA.

13 11. After the Department received information from Delaware, Ms. Greenwood  
14 consulted the national database and learned that New Mexico had revoked Mr.  
15 Sarkisian's license, which he had not reported to the Department.

16 12. Ms. Greenwood obtained from the New Mexico Superintendent a Notice to Show  
17 Cause dated June 16, 2021 that provided Mr. Sarkisian thirty days to show why his New  
18 Mexico license should not be revoked based on information New Mexico obtained in an  
19 investigation after its receipt of a letter from USAA showing it had terminated Mr.  
20 Sarkisian's employment.

21 13. Ms. Greenwood checked the National Insurance Producer Registry and found that  
22 Mr. Sarkisian had not reported that New Mexico revoked his license.

23 14. New Mexico's Notice shows that it was sent to Mr. Sarkisian at an address in  
24 Glendale Arizona, which was no longer a valid address for him.

25 15. On July 26, 2021, the New Mexico Superintendent issued a Final Order showing  
26 that its Notice to Show Cause, which was sent to Mr. Sarkisian's home address of record,  
27 was returned as unclaimed, that Mr. Sarkisian did not respond to the Superintendent's  
28 Notice to Show Cause, and that his New Mexico license was revoked.

29 16. Mr. Sarkisian acknowledged that he had not properly updated his addresses of  
30 record with the Department and effectively acknowledged that he had not done so in

1 other states. According to Mr. Sarkisian, he was not aware that he was required to do so  
2 and/or that he did not understand the process. He further explained that when hired by  
3 USAA, it took care of all the paperwork, but when was fired he was left without help. He  
4 added that he had spoken to friends or former associates who advised him that he could  
5 let his licenses lapse or expire.

6 17. As of the hearing date, Mr. Sarkisian was not actively using his producer's license.

7 18. Because Mr. Sarkisian had not updated his address of record with New Mexico's  
8 Superintendent he did not receive from New Mexico its Notice to Show Cause or its Final  
9 Order revoking his New Mexico license.

10 19. As of the hearing date, Mr. Sarkisian had not updated his contact information with  
11 the Department and that information showed an outdated email address and outdated  
12 home and business addresses.

13 20. Regarding the allegations that he had issued Value Personal Property policies  
14 without express member consent, Mr. Sarkisian testified to the effect that there was  
15 controversy regarding these policies when he worked at USAA. He testified that  
16 managers were telling the producers (or at least him) to issue the policies, but no one was  
17 willing to give him feedback as to how he was performing.

18 21. While at USAA, Mr. Sarkisian was paid hourly and he testified that he had no  
19 incentive to sell policies that consumers did not want.

20 22. Mr. Sarkisian testified to the effect that he would have long discussions with  
21 potential purchasers (up to 3 hours) and that he would not add the VPP policy unless he  
22 was sure that a consumer wanted that policy, which was good to have, but he  
23 acknowledged that there may have been times that he did not explicitly ask if the  
24 customer wanted it.

25 23. Ms. Greenwood testified to the effect that the Department cannot regulate a  
26 licensee if that licensee does not provide it with current contact information.

27 24. The Department's Complaint and Notice of Hearing was sent to Mr. Sarkisian at  
28 his address in Glendale, which was no longer current. Mr. Sarkisian learned of the  
29 hearing when he received a telephone call from the Department's attorney shortly before  
30 the hearing.

1 25. The Department requests that Mr. Sarkisian's license be revoked.

2 **CONCLUSIONS OF LAW**

3 1. The Department bears the burden of persuasion. ARIZ. REV. STAT. § 41-  
4 1092.07(G).

5 2. The burden of proof at an administrative hearing falls to the party asserting a  
6 claim, right or entitlement. The standard of proof is that of the preponderance of the  
7 evidence. ARIZ. ADMIN. CODE § R2-19-119.

8 3. A preponderance of the evidence is:

9 The greater weight of the evidence, not necessarily established  
10 by the greater number of witnesses testifying to a fact but by  
11 evidence that has the most convincing force; superior  
12 evidentiary weight that, though not sufficient to free the mind  
13 wholly from all reasonable doubt, is still sufficient to incline a fair  
14 and impartial mind to one side of the issue rather than the other.

15 BLACK'S LAW DICTIONARY 1373 (10th ed. 2014).

16 4. Mr. Sarkisian was required to inform the Department of any changes to his email  
17 address of record within thirty days of that change, but failed to do so, which is a  
18 violation ARIZ. REV. STAT. section 20-286(C)(1) and of section 20-295(A)(2).

19 5. Because Mr. Sarkisian did not report to either the Department or to the National  
20 Insurance Producer Registry that his New Mexico license had been revoked within thirty  
21 days of that revocation, he has violated ARIZ. REV. STAT. section 20-301(A), which is  
22 also a violation of section 20-295(A)(2).

23 6. Because Mr. Sarkisian violated ARIZ. REV. STAT. section 20-295(A)(2) and  
24 because New Mexico revoked his license, ARIZ. REV. STAT. section 20-295(A)(9), the  
25 Department has authority to suspend or revoke his Arizona license and to impose a civil  
26 penalty against him.

27 7. Considering the facts of this matter, particularly that New Mexico's  
28 Superintendent has revoked Mr. Sarkisian's license, his Arizona license should be  
29 revoked.

30 **ORDER**

**IT IS ORDERED** that Harout Sarkisian's license number 17633096 is revoked.

1 *In the event of certification of the Administrative Law Judge Decision by the Director of*  
2 *the Office of Administrative Hearings, the effective date of the Order is five days after*  
3 *the date of that certification.*

4 Done this day, July 15, 2022.

5 /s/ Thomas Shedden  
6 Thomas Shedden  
7 Administrative Law Judge

8 Transmitted electronically to:

9 Evan G. Daniels,  
10 Department of Insurance and Financial Institutions - Insurance

11 By Miranda Alvarez  
12 Legal Secretary