

JUN 2 1994

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

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By CW

In the Matter of)	Docket No. 8200
)	
ALLSTAR INSURANCE AGENCY, INC. and BRYAN HOUGHTON TURNER,)	ORDER
)	
Respondents.)	
)	

On May 5, 1994, a hearing was held in the above-captioned matter. Respondent Allstar Insurance Agency, Inc. ("Allstar") was represented by Mr. Timothy W. Barton. Respondent Bryan H. Turner ("Turner") was not present in person or through counsel. The Arizona Department of Insurance ("Department") was represented by Gerrie Switzer, Assistant Attorney General.

Based upon the testimony and other evidence presented at the hearing, we make the following findings of fact and conclusions of law and the Director enters the following order:

FINDINGS OF FACT

1. Notice of this hearing was mailed to Allstar and Turner at their addresses of last record with the Department.
2. On April 14, 1994 an Order was issued, on Turner's motion, vacating the default order against Turner dated February 1, 1994 and granting Turner's request to be allowed to participate in the hearing on the motion to contest the factual allegations and present a defense. Despite being given this opportunity Turner did not appear at the hearing.
3. Respondent Allstar is currently licensed as a property and casualty insurance agency in the State of Arizona

1 (license no. 9392). Respondent Allstar's life and disability
2 license expired on December 31, 1993.

3 4. Respondent Turner is licensed as a life and
4 disability insurance agent in the State of Arizona (license no.
5 2041). Respondent Turner's property and casualty license expired
6 in April, 1994 and his broker license expired in April, 1992.
7 Respondent Turner is designated as Allstar's authorized statutory
8 agent.

9 5. On or about November 5, 1992, Respondent Turner
10 received a completed application and a \$40.10 premium down
11 payment from Patricia Magdalena ("Magdalena") for an automobile
12 insurance policy with Empire Fire & Marine Insurance Company
13 ("Empire").

14 6. On or about November 7, 1993, Respondent Allstar
15 issued CenCal Insurance Services ("CenCal"), the managing general
16 agent for Empire, check no. 8080 in the amount of \$40.10, which
17 represented Magdalena's premium down payment. Respondent
18 Allstar's check was returned by the bank marked, "Refer to Maker".

19 7. On or about December 21, 1992, CenCal notified
20 Respondent Allstar that check no. 8080 had been returned by the
21 bank.

22 8. Respondents misappropriated, converted and/or
23 illegally withheld Magdalena's premium.

24 9. On or about November 4, 1992, Respondent Turner
25 received a completed application and a \$45.00 premium down
26 payment from Karen Yarbrough ("Yarbrough") for an automobile
27 insurance policy with Empire.

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1 10. On or about November 7, 1992, Respondent Allstar
2 issued CenCal check no. 8052 in the amount of \$45.00, which
3 represented Yarbrough's premium down payment. Respondent
4 Allstar's check was returned by the bank marked, "Refer to
5 Marker".

6 11. On or about December 21, 1992, CenCal notified
7 Allstar that check no. 8052 had been returned by the bank.

8 12. On or about April 13, 1993, Respondent Allstar
9 received a \$158.00 premium payment from Alex Del Campo ("Campo")
10 to add an additional vehicle to his automobile insurance policy
11 with Merit Insurance Company ("Merit").

12 13. On or about August 16, 1993, Merit issued Campo a
13 Notice of Cancellation for non-payment of premium.

14 14. Respondents failed to forward Campo's premium
15 payment to Merit, but instead illegally withheld, misappropriated
16 and/or converted the funds to their own use.

17 15. To date, Respondents Allstar and Turner have not
18 returned Campo's premium.

19 16. On or about February 24, 1993, Respondent Allstar
20 received an application and a \$125.00 down payment from Jeffrey
21 Kokron ("Kokron") for an annual automobile insurance policy with
22 Coronet Insurance Company ("Coronet"). The balance of the
23 premium due was to be financed through E.T.I. Financial Corp.
24 ("E.T.I.").

25 17. From March 25, 1993 to July 1, 1993, Kokron made
26 four premium payments to E.T.I.

27 18. Respondents Allstar and Turner failed to forward
28 the application and premium to Coronet, but instead illegally

1 withheld, misappropriated and/or converted the funds to their own
2 use.

3 19. In July, 1993, Kokron had an automobile accident
4 and subsequently was notified by Coronet that they had no record
5 of coverage for his automobile.

6 20. To date, Respondents Allstar and Turner have not
7 returned Kokron's premium.

8 21. On or about January 15, 1993, Dwight Financial,
9 Inc. ("Dwight") issued check no. 033889 to Respondent Allstar as
10 premium return for various policyholders. Included in check no.
11 033889 was \$418.13 which represented a premium return on an
12 automobile insurance policy for Robert Holstein ("Holstein")
13 through Coronet and Phoenix Indemnity Insurance Company ("Phoenix
14 Indemnity").

15 22. On or about March 24, 1993, Respondent Allstar
16 issued Holstein check no. 1775 in the amount of \$334.13, which
17 represented Holstein's premium return. Respondent Allstar's
18 check was returned by the bank marked, "Insufficient Funds".

19 23. To date, Respondent Allstar has failed to return
20 Holstein's premium refund.

21 24. Respondents Allstar and Turner misappropriated,
22 converted and/or illegally withheld Holstein's premium refund.

23 25. On or about August 19, 1992, Respondents Allstar
24 and Turner entered into a Consent Order In the Matter of Bryan
25 Houghton Turner and Allstar Insurance Agency, Inc., Arizona
26 Department of Insurance Docket No. 7792. In the Consent Order,
27 Respondents Allstar and Turner admitted violating A.R.S. §20-444.
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CONCLUSIONS OF LAW

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2 1. The Director has jurisdiction in this matter
3 pursuant to A.R.S. §20-142.

4 2. Notice of this hearing was proper pursuant to
5 A.R.S. §§20-163 and 41-1061.

6 3. The conduct of Respondents Allstar and Turner
7 constitutes a record of dishonesty in business or financial
8 matters under A.R.S. §20-290(B)(2).

9 4. The conduct of Respondents Allstar and Turner
10 constitutes the existence of any cause for which original
11 issuance or any renewal of an insurance license could have been
12 refused such that Respondents' licenses may be suspended or
13 revoked under A.R.S. §20-316(A)(1), together with §20-290(B)(2).

14 5. The conduct of Respondents Allstar and Turner
15 constitutes misappropriation, conversion or illegal withholding
16 of monies belonging to policyholders, insurers, beneficiaries or
17 others, in violation of A.R.S. §20-316(A)(4).

18 6. The conduct of Respondents Allstar and Turner
19 constitutes a conduct of affairs under their licenses showing
20 them to be incompetent or a source of injury and loss to the
21 public or any insurer, in violation of A.R.S. §20-316(A)(7).

22 7. The licenses of Respondents Allstar and Turner may
23 be suspended, revoked or refused for any of such causes as
24 related to any individual designated in the license to exercise
25 its power, pursuant to A.R.S. §20-316(A), (B) and (C).

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