

1 Theft of Services-TV Cable ("CR93-72"), pursuant to A.R.S.
2 §13-1902(A)(6).

3 3. On September 21, 1993, CR93-72 was dismissed with
4 prejudice under an agreement reached with the Apache County
5 Attorney's Office wherein Mr. Borg paid the cable company for the
6 value of the services he had obtained.

7 4. On November 23, 1993, a Complaint was filed in St.
8 Johns Justice Court, Apache County, Arizona in State of Arizona
9 v. Donald O. Borg, Docket Number CR93-199, alleging that Mr.
10 Borg fraudulently obtained television reception.

11 5. On April 4, 1994, after trial, Mr. Borg was found
12 guilty of Obtaining T.V. Reception Fraudulently, in violation of
13 A.R.S. §13-3709(A), a misdemeanor, and subsequently sentenced to
14 one year unsupervised probation with fines and court costs
15 assessed in the total amount of \$430.53.

16 6. On December 2, 1994, Mr. Borg filed a renewal
17 application (the "1994 Renewal Application") with the Department
18 to renew his property and casualty agent license.

19 7. Mr. Borg answered "No" to Question A on the 1994
20 Renewal Application which asks "SINCE YOUR LAST APPLICATION OR
21 RENEWAL THEREOF, have you been convicted of a misdemeanor?".

22 8. Mr. Borg answered "No" to Question C(4) on the
23 1994 Renewal Application which asks "SINCE YOUR LAST APPLICATION
24 OR RENEWAL THEREOF, has there been any judgment, order or other
25 determination against you in any criminal, civil, administrative
26 or other judicial or quasi-judicial proceeding of any kind in any
27 jurisdiction based on an any of the following:

28 . . . 4) fraud or misrepresentation?".

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9. When Mr. Borg answered questions A and C(4) on the 1994 Renewal Application, Mr. Borg had been convicted of having violated A.R.S. §13-3709.A - Obtaining T.V. Reception Fraudulently.

10. At the hearing, Steve Borg, Mr. Borg's brother, testified as to his prior business relationship with Mr. Borg and Mr. Borg's integrity. Steve Borg's testimony as to his business dealings with Mr. Borg was not relevant because it related to the period of time prior to Mr. Borg being licensed in Arizona as an insurance agent.

11. Mr. Borg testified that at the time when he completed the 1994 Renewal Application, he did not intend to commit fraud but was in a hurry to complete the renewal application. Further, Mr. Borg testified that when he read and completed the questions at issue he did not think of the misdemeanor conviction. Mr. Borg's testimony regarding the reason why the 1994 Renewal Application was completed and submitted without affirmatively answering Questions A and C(4) is not credible.

12. Ed DeLorenzo, co-owner of the Ambassador Group, Inc., Mr. Borg's employer, credibly testified as to Mr. Borg's honesty, good character and business practices in the insurance industry. However, Mr. DeLorenzo's testimony as to Mr. Borg's completion of the 1994 Renewal Application and the possible reason for Mr. Borg not answering the questions on that application appropriately is conjecture and not reliable.

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CONCLUSIONS OF LAW

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2 1. Mr. Borg received notice of this proceeding as
3 prescribed by A.R.S. 20-163 and 41-1061.

4 2. The Director has jurisdiction over this matter
5 pursuant to A.R.S. §20-161.

6 3. Mr. Borg made a material misrepresentation or
7 fraud in the application for, or attempt to obtain, any insurance
8 license within the meaning of A.R.S. §20-290(B)(1).

9 4. Mr. Borg's conduct as described above, constitutes
10 the existence of misrepresentation or fraud in the obtaining or
11 attempting to obtain any insurance license in violation of A.R.S.
12 §20-316(A)(3).

13 5. Mr. Borg's conduct described above constitutes the
14 existence of any cause for which original issuance or any renewal
15 of an insurance license could have been refused such that
16 Respondent's licenses may be suspended or revoked pursuant to
17 A.R.S. §§20-316(A)(1) together with and 20-290(B)(1).

18 6. Mr. Borg's conduct described above constitutes a
19 wilful violation of, or wilful noncompliance with, any provision
20 of this title, or any lawful rule, regulation or order of the
21 Director in violation of A.R.S. §20-316(A)(2).

22 7. Based upon the violations described above, the
23 Director may suspend, revoke or refuse to renew Mr. Borg's
24 licenses and impose civil penalties pursuant to A.R.S.
25 §§20-316(A), 20-316(C) and 20-290(B).

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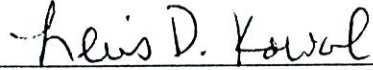
ORDER

IT IS ORDERED that:

1. All insurance licenses issued by the Arizona Department of Insurance to Donald O. Borg be revoked effective immediately.

EFFECTIVE this 24th day of October, 1995.


CHRIS HERSTAM
Director of Insurance


LEWIS D. KOWAL
Administrative Law Judge

NOTIFICATION OF RIGHTS

The aggrieved party may request a rehearing with respect to this Order by filing a written petition with the Administrative Law Division within 30 days of the date of this Order, setting forth the basis for such relief pursuant to A.A.C. R4-14-114(B).

The final decision of the Director may be appealed to the Superior Court of Maricopa County for judicial review pursuant to A.R.S. §20-166.

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1 COPY of the foregoing mailed/delivered
2 this 24th day of October, 1995, to:

3 Charles R. Cohen, Deputy Director
4 Gregory Y. Harris, Executive Assistant Director
5 John Gagne, Assistant Director
6 Maureen Catalioto, Supervisor, Licensing
7 Department of Insurance
8 2910 N. 44th Street, Suite 210
9 Phoenix, Arizona 85018

10 John C. Dutton
11 Assistant Attorney General
12 1275 W. Washington
13 Phoenix, Arizona 85007

14 Donald O. Borg
15 127 Alpine
16 P.O. Box 263
17 Concho, Arizona 85018

18 Ambassador Group, Inc.
19 35432 Highway 180A
20 Concho, AZ 85924

21 Central Reserve Life Insurance Company
22 Central Reserve Life Plaza
23 17800 Royalton Road
24 Strongsville, OH 44136

25 Gem Insurance Company
26 P.O. Box 449
27 Salt Lake City, UT 84110-7164

28 Blue Cross and Blue Shield of Arizona, Inc.
P.O. Box 13466
Phoenix, AZ 85002-3466

Humana Health Plan of Arizona, Inc.
3033 N. 44th Street, #220
Phoenix, AZ 85018

FHP, Inc.
P.O. Box 52078
Phoenix, AZ 85072-2078

Travelers Life Insurance Company
Corporate Tax 5PB
One Tower Square
Hartford, CT 06183-6014

American States Life Insurance Company
P.O. Box 1636
Indianapolis, IN 46206-1636

- 1 Associated Health Plans, Inc.
2 2525 E. Broadway, #100
3 Tucson, AZ 85716
- 4 American Bankers Life Assurance Company of Florida
5 11222 Quail Roost Dr.
6 Miami, FL 33157
- 7 Denticare, Inc.
8 1600 W. Broadway, #165
9 Tempe, AZ 85282
- 10 Employers Health Insurance Company
11 1100 Employers Blvd.
12 Green Bay, WI 54344
- 13 Golden Rule Insurance Company
14 712 Eleventh St.
15 Lawrenceville, IL 62439-2395
- 16 John Alden Life Insurance Company
17 P.O. Box 020270
18 Miami, FL 33102-0270
- 19 Jackson National Life Insurance Company
20 P.O. Box 24068
21 Lansing, MI 48909
- 22 Lincoln Benefit Life Insurance Company
23 P.O. Box 80469
24 Lincoln, NE 68501
- 25 London Pacific Life & Annuity Co.
26 3109 Poplarwood Court, #108
27 Raleigh, NC 27604
- 28 Midland National Life Insurance Company
One Midland Plaza
Sioux Falls, SD 57193
- Provident Life & Accident Insurance Co.
One Fountain Square
Chattanooga, TN 37402
- Pacific Mutual Life Insurance Company
700 Newport Center Dr.
Newport Beach, CA 92658-9030
- Provident Mutual Life Insurance Company
of Philadelphia
P.O. Box 7378
Philadelphia, PA 19101

1 Safeco Life Insurance Company
2 P.O. Box 34690
Seattle, WA 98124-1690

3 Surety Life Insurance Company
4 P.O. Box 30030
Salt Lake City, UT 84130-0030

5 Travelers Insurance Company
6 One Tower Square
Hartford, CT 06183-6014

7 Amwest Surety Insurance Company
8 P.O. Box 4500
Woodland Hills, CA 91365-4500

9 Ansvar American Insurance Company
10 830 N. Mecham Rd.
Schaumburg, IL 60173

11 Atlanta Casualty Company
12 P.O. Box 105435
Atlanta, GA 30348

13 Century-National Insurance Company
14 P.O. Box 3999
North Hollywood, CA 31603-9990

15 Colorado Casualty Insurance Company
16 P.O. Box 6530
Englewood, CO 80155

17 Dairyland Insurance Company
18 1800 North Point Dr.
Stevens Point, WI 54481

19 Infinity Insurance Company
20 P.O. Box 830189
Birmingham, AL 35283-0189

21 Foremost Insurance Co. of
22 Grand Rapids, Michigan
P.O. Box 2450
23 Grand Rapids, MI 49501

24 Great American Insurance Company
580 Walnut St.
25 Cincinnati, OH 45202

26 Heartland Insurance Co. of America
580 Walnut St.
27 Cincinnati, OH 45202

28

- 1 ITT Hartford Life & Annuity Insurance Co.
2 7330 N. 16th St., #A-100
3 Phoenix, AZ 85020
- 4 Merchants Bonding Company (Mutual)
5 2425 E. Camelback Rd., #800
6 Phoenix, AZ 85016
- 7 Windsor Insurance Company
8 P.O. Box 105091
9 Atlanta, GA 30348
- 10 Nova Casualty Company
11 180 Oak St.
12 Buffalo, NY 14203
- 13 Old Republic Surety Company
14 P.O. Box 1635
15 Brookfield, WI 53005
- 16 Progressive Casualty Insurance Co.
17 E61, 6300 Wilson Mills Rd.
18 Mayfield Village, OH 44143-2128
- 19 Paloverde Insurance Co. of America
20 Box E61, 6300 Wilson Mills Rd.
21 Mayfield Village, OH 44143-2128
- 22 Republic Indemnity Co. of America
23 15821 Ventura Blvd., #370
24 Encino, CA 91436
- 25 Safeco Insurance Co. of America
26 Safeco Plaza
27 Seattle, WA 98185
- 28 Victoria Fire & Casualty Co.
5915 Landerbrook Dr., #210
Cleveland, OH 44124-4058
- Western Surety Company
P.O. Box 5077
Sioux Falls, SD 57117-5077

23 
24 Chris Crawford
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