

1 **STATE OF ARIZONA**
2 **DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

3 In the Matter of:

No. 19A-176-INS

4 **SMITH, VERNON LEE**

CONSENT ORDER

5 (National Producer No. 11518393)

6 Respondent.

7 The Arizona Department of Insurance and Financial Institutions (“Department”) has
8 received evidence that **Vernon Lee Smith (“Respondent”)** violated provisions of Title 20,
9 Arizona Revised Statutes (“A.R.S”). Respondent wishes to resolve this matter without the
10 commencement of formal proceedings, and admits the following Finding of Fact are true,
11 and consents to the entry of the following Conclusions of Law and Order.

12 **FINDINGS OF FACT**

13 1. Respondent is, and was at all material times, licensed as an Arizona resident
14 insurance producer with lines of authority in property and casualty insurance, National
15 Producer Number 11518393. Respondent’s license is scheduled to expire on June 30, 2022.

16 2. Respondent’s business and mailing address of record with the Department is
17 11821 N. 28th Drive, Apt. L289, Phoenix, AZ, 85029. Respondent’s business e-mail address
18 of record with the Department is vsmithenterprises@outlook.com.

19 3. On April 15, 2019, Respondent submitted an application for an Arizona
20 insurance producer license (“Application”) to the Department.

21 4. In the Application, under Background Questions, Respondent answered “No”
22 to the following question:

1 1B. "Have you ever been convicted of a felony, had a judgment withheld or
2 deferred, or are you currently charged with committing a felony? You may
3 exclude juvenile adjudications (offenses where you were adjudicated
4 delinquent in a juvenile court)."

5 5. Respondent answered "Yes" to the Attestation section of the Application.

6 6. On April 17, 2019, the Department issued an insurance producer license to
7 Respondent.

8 7. The Federal Bureau of Investigations conducted a criminal history check of
9 Respondent's fingerprint card and notified the Department that Respondent had the
10 following conviction:

11 On or after July 20, 1999, a California Court convicted Respondent of
12 burglary.

13 CONCLUSIONS OF LAW

14 1. The Director of the Department ("Director") has jurisdiction over this matter.

15 2. Respondent's conduct, as described above, constitutes providing incorrect,
16 misleading, incomplete or materially untrue information in the license application, within the
17 meaning of A.R.S. § 20-295(A)(1).

18 3. Grounds exist for the Director to suspend for not more than twelve months or
19 revoke Respondent's insurance producer license, pursuant to A.R.S. § 20-295(A).

20 4. Grounds exist, in addition to or instead of any suspension or revocation, for the
21 Director to impose a civil penalty of not more than \$250.00 dollars for each unintentional
22 failure or violation, up to an aggregate civil penalty of \$2,500.00, or impose a civil penalty of

1 not more than \$2,500.00 for each intentional failure or violation, up to an aggregate civil
2 penalty of \$15,000.00, within the meaning of A.R.S. § 20-295(F).

3 **ORDER**

4 IT IS HEREBY ORDERED THAT:

5 1. Respondent shall immediately pay to the Department a civil money penalty of
6 two hundred fifty dollars (\$250.00) for deposit into the State General Fund.

7 Effective this 23rd day of October, 2020.

8 

9 _____
10 Evan G. Daniels
11 Director of the Arizona Department of Insurance and
12 Financial Institutions

13 **CONSENT TO ORDER**

14 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law
15 and Order.

16 2. Respondent admits to the jurisdiction of the Director of the Arizona
17 Department of Insurance and Financial Institutions and admits the foregoing Findings of Fact
18 and consents to the entry of the foregoing Conclusions of Law and Order.

19 3. Respondent is aware of his right to notice and to a hearing, at which he may be
20 represented by counsel, present evidence and examine witnesses.


21 4. Respondent irrevocably waives his right to such notice and hearing and to any
22 court appeals relating to this Consent Order.

1 5. Respondent states that no promise of any kind or nature whatsoever, except as
2 expressly contained in this Consent Order, was made to induce him to enter into this Consent
3 Order and that he has entered into this Consent Order voluntarily.

4 6. Respondent acknowledges that the acceptance of this Consent Order by the
5 Director is solely to settle this matter against his and does not preclude any other agency,
6 officer, or subdivision of this state including the Department from instituting civil or criminal
7 proceedings as may be appropriate now or in the future not related to this matter.

8 7. Respondent acknowledges that this Consent Order is an administrative action
9 that the Department will report to the National Association of Insurance Commissioners
10 (NAIC). Respondent further acknowledges that he must report this administrative action to
11 any and all states in which he holds an insurance license and must disclose this
12 administrative action on any license application.

13 10-19-2020
14 Date


14 Vernon Lee Smith, NPN 11518393

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1 **COPY** of the foregoing electronically transmitted
2 this **26th** day of **October**, 2020, to:

3 Vernon Lee Smith
4 16001 N. 28th Avenue
5 Phoenix, AZ 85053-4050
6 Respondent

7 **COPY** delivered same date to:
8 Deian Ousounov, Regulatory Legal Affairs Officer
9 Ana Starcevic, Paralegal Project Specialist
10 Catherine M. O'Neil, Consumer Legal Affairs Office
11 Steven Fromholtz, Division Manager
12 Aqueelah Currie, Licensing Supervisor
13 Linda Lutz, Legal Assistan
14 Arizona Department of Insurance
15 100 North 15th Avenue, Suite 261
16 Phoenix, Arizona 85007-2630

17 **COPY** delivered electronically, same date to:

18 Vernon Lee Smith
19 vsmithenterprises@outlook.com
20 Respondent

21 *Ana Starcevic* for
22 Francine Martinez
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