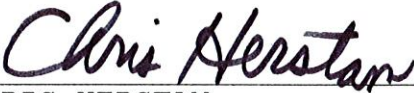




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The final decision of the Director may be appealed to the Superior Court of Maricopa County for judicial review pursuant to A.R.S. §20-166.

DATED this <sup>12<sup>th</sup></sup> day of February, 1996.



CHRIS HERSTAM  
Director of Insurance

COPY of the foregoing mailed/delivered this <sup>13<sup>th</sup></sup> day of February, 1996, to:

Charles R. Cohen, Deputy Director  
Gregory Y. Harris, Executive Assistant Director  
John Gagne, Assistant Director  
Arnold Sniegowski, Investigator  
Maureen Catalioto, Supervisor  
Department of Insurance  
2910 N. 44th St., Suite 210  
Phoenix, Arizona 85018

Desert Star Marketing, Inc.  
7501 N. 35th Ave.  
Phoenix, AZ 85051

Foremost Insurance Company  
P.O. Box 2450  
Grand Rapids, MI 49501-2450



IN THE OFFICE OF ADMINISTRATIVE HEARINGS

FEB 8 1996

Office of Administrative Hearings  
DEPARTMENT OF INSURANCE  
By                     

In the Matter of

No. 95A-273-INS

**DESERT STAR MARKETING, INC.,**

**PROPOSED FINDINGS OF FACT,  
CONCLUSIONS OF LAW AND  
RECOMMENDED ORDER**

Respondent

On December 28, 1995, the Director issued a Notice of Hearing (the "Notice") in the above-captioned matter.

The Notice required Desert Star Marketing, Inc. ("Desert Star") to provide a written answer to the allegations set forth in the Notice within twenty days of the issuance of the Notice. As of this date, Desert Star has failed to file an answer. On January 26, 1996, counsel for the Department filed a Request for Default, Form of Order and Notice of Filing Form of Order. As of this date, Desert Star has not responded to the Department's request. Pursuant to A.A.C. R20-6-106(C), a party that fails to file an answer within the time provided shall be deemed to be in default and one or more of the allegations in the Notice of Hearing may be deemed to be admitted.

**FINDINGS OF FACT**

1. Notice was proper.
2. Desert Star is in default.
3. The allegations in the Notice are deemed admitted.

**CONCLUSIONS OF LAW**

1. The conduct alleged in the Notice constitutes grounds for the Director to suspend, revoke or refuse to renew the licenses to transact insurance in Arizona, within the meaning of A.R.S. §20-316(A).
2. The conduct alleged in the Notice constitutes grounds for the Director to impose a civil penalty pursuant to A.R.S. §20-316(C).

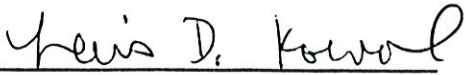
**RECOMMENDED ORDER**

Based on the above, the undersigned Administrative Law Judge recommends that:

1. All insurance licenses held by Desert Star Marketing, Inc. are revoked effective upon the issuance of the Director's Order.


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2. No civil penalty be imposed.  
DATED this 8<sup>th</sup> day of February, 1996.

  
LEWIS D. KOWAL  
Administrative Law Judge

COPY of the foregoing mailed/delivered  
this 8<sup>th</sup> day of February, 1996, to:

Chris Herstam, Director  
Arizona Department of Insurance  
2910 North 44th Street, Suite 210  
Phoenix, AZ 85018

  
Chris Crawford