

STATE OF ARIZONA OCT 20 1995

DEPARTMENT OF INSURANCE DEPARTMENT OF INSURANCE  
By \_\_\_\_\_

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In the Matter of )  
HENRY ARTHUR ARMSTRONG, )  
Respondent. )  
\_\_\_\_\_ )  
Docket No. 95-114 )  
ORDER )

On September 22, 1995, a hearing took place in the above-referenced matter. Assistant Attorney General Susan B. Lagerman appeared on behalf of the Arizona Department of Insurance ("Department"). James C. Martin appeared on behalf of Respondent Henry Arthur Armstrong ("Mr. Armstrong").

Based upon the entire record, including all pleadings, motions, testimony, and exhibits, Administrative Law Judge Lewis D. Kowal prepared the following Findings of Fact, Conclusions of Law, and Order for consideration and approval by the Director of the Department (the "Director"). The Director adopts and enters the following Findings of Fact, Conclusions of Law and enters the following Order:

FINDINGS OF FACT

1. At all times material to this matter, Mr. Armstrong was and is licensed as a property and casualty broker in the State of Arizona (license number 3955). The property and casualty broker license issued to Mr. Armstrong is due to expire February 28, 1996.

2. At all times material to this matter, Mr. Armstrong was and is licensed as a life and disability agent in the State of Arizona. The life and disability agent license issued to Mr. Armstrong is due to expire February 28, 1997.

1                   3. On or about February 7, 1994, a Complaint was  
2 filed in State of Arizona v. Henry Arthur Armstrong and Henry E.  
3 Armstrong ("State v. Armstrong"), Docket Number CR94-90863,  
4 charging Mr. Armstrong with Fraudulent Schemes and Artifices, a  
5 class 2 felony.

6                   4. At this hearing, Mr. Armstrong admitted to the  
7 allegations in the Complaint in State v. Armstrong that he  
8 drove his 1991 Chevrolet LeBaron into Mexico, abandoned it,  
9 reported it stolen to the Mesa Police and filed a loss claim with  
10 Allstate Insurance Company. Allstate subsequently paid  
11 \$15,993.00 to Bank of America, which sum represented the  
12 remaining balance Mr. Armstrong owed on the loan held by Mr.  
13 Armstrong on the 1991 Chevrolet LeBaron.

14                   5. After filing of the claim with Allstate and  
15 reporting the theft of his automobile, Mr. Armstrong admitted his  
16 guilt upon being questioned by the Mesa Police.

17                   6. On May 31, 1994, in State v. Armstrong, Mr.  
18 Armstrong pled guilty to Theft, a class 6 felony, based upon the  
19 facts alleged in the February 7, 1994 Complaint. Mr. Armstrong  
20 was sentenced to two years probation, 100 hours community service  
21 and ordered to pay restitution to Allstate in the amount of  
22 \$15,993.00. Mr. Armstrong has completed the 100 hours of  
23 community service, paid restitution to Allstate in the amount of  
24 \$15,993.00 and is in compliance with his probation.

25                                   CONCLUSIONS OF LAW

26                   1. Mr. Armstrong received notice of this proceeding  
27 as prescribed by A.R.S. §§20-163 and 41-1061.  
28

1                   2. The Director has jurisdiction over this matter  
2 pursuant to A.R.S. §§20-142 and 20-316.

3                   3. Mr. Armstrong's conduct described above  
4 constitutes a record of dishonesty in business or financial  
5 matters under A.R.S. §20-290(B)(2).

6                   4. Mr. Armstrong's conduct described above  
7 constitutes the existence of any cause for which original  
8 issuance or any renewal of an insurance license could have been  
9 refused such that Mr. Armstrong's license may be suspended or  
10 revoked pursuant to A.R.S. §§20-316(A)(1), together with  
11 20-290(B)(2).

12                   5. Mr. Armstrong's conduct described above  
13 constitutes a conviction by final judgment of a felony involving  
14 moral turpitude within the meaning of A.R.S. §20-316(A)(6).

15                   6. Mr. Armstrong knowingly and with intent to defraud  
16 presented a statement to an insurer knowing that it contained  
17 materially false information concerning a material fact on a  
18 claim for payment or benefit pursuant to an insurance policy in  
19 violation of A.R.S. §20-463(A)(1)(c).

20                   7. Grounds exist for the Director to suspend, revoke,  
21 or refuse to renew Mr. Armstrong's insurance licenses and impose  
22 a civil penalty pursuant to A.R.S. §§20-316(A) and 20-316(C).

23   ORDER

24                   IT IS ORDERED:

25                   1. All insurance licenses issued to Henry Arthur  
26 Armstrong be revoked effective immediately.

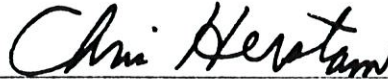
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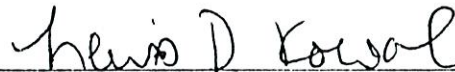


1                   2. Within 30 days of this Order, Mr. Armstrong pay a  
2 civil penalty in the amount of \$1,000.00 to the Arizona  
3 Department of Insurance.

4                   EFFECTIVE this 20th day of October, 1995.

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CHRIS HERSTAM  
Director of Insurance

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LEWIS D. KOWAL  
Chief Administrative Law Judge

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12                   NOTIFICATION OF RIGHTS

13                   The aggrieved party may request a rehearing with  
14 respect to this Order by filing a written petition with the  
15 Administrative Law Division within 30 days of the date of this  
16 Order, setting forth the basis for such relief pursuant to A.A.C.  
17 R20-6-114(B).

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

21  
22                   COPY of the foregoing mailed/delivered  
this 20th day of October, 1995, to:

23 Charles R. Cohen, Deputy Director  
24 Gregory Y. Harris, Executive Assistant Director  
John Gagne, Manager, Investigations  
25 Donna Futrell, Investigator  
Maureen Catalioto, Supervisor, Licensing  
26 Department of Insurance  
2910 N. 44th Street, Suite 210  
27 Phoenix, Arizona 85018  
28

1 Susan B. Lagerman  
Assistant Attorney General  
2 1275 W. Washington  
Phoenix, Arizona 85007

3 James C. Martin  
4 Martin, Hart & Fullerton  
1839 S. Alma School Rd., Ste. 354  
5 Mesa. AZ 85219

6 Travelers Indemnity  
Travelers Life and Annuity  
7 One Tower Square  
Hartford, CT 06183-6014

8 Georgia Foote  
9 Claims Representative  
Allstate Insurance Company  
10 1201 S. Alma School Rd., Ste. 9500  
Mesa, AZ 85204

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13 Chris Crawford

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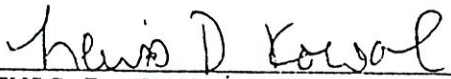
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7                   CHRIS HERSTAM  
8                   Director of Insurance

9                     
10                  LEWIS D. KOWAL  
11                  Chief Administrative Law Judge

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23 this 20th day of October, 1995, to:

24                   Charles R. Cohen, Deputy Director  
25                   Gregory Y. Harris, Executive Assistant Director  
26                   John Gagne, Manager, Investigations  
27                   Donna Futrell, Investigator  
28                   Maureen Catalioto, Supervisor, Licensing  
                    Department of Insurance  
                    2910 N. 44th Street, Suite 210  
                    Phoenix, Arizona 85018

1 Susan R. Lagerman  
Assistant Attorney General  
2 1275 W. Washington  
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11/20/95

State of Arizona  
Department of Insurance  
Chris Herstam  
2910 N. 44th Street  
Phoenix, Arizona 85018

Dear Mr. Herstam:

Enclosed is ckeck #3759 for the amount of \$1,000.00  
as order under Docket No. 95-114.

Sincerely,

Henry A. Armstrong  
1556 E. Jensen  
Mesa, Arizona 85203

cc: James C. Martain  
Attorney at Law  
1839 S. Alma School Road, Suite 354  
Mesa, Arizona 85210