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STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE  
BY                     

In the Matter of:                 )  
  )  
SCOTT PATRICK BEATTY             )  
  )  
                            Respondent.  )  
  )

No. 97A-114-INS  
CONSENT ORDER

A Notice of Hearing was issued by the Director ("Director") of the Arizona Department of Insurance (the "Department") on July 2, 1997, wherein the Department made certain allegations of violations of A.R.S. Title 20 committed by Respondent. Respondent received a copy of this Notice. Respondent has been advised of his right to a hearing in this matter, which he waives.

Respondent admits the following Findings of Fact are true and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent Scott Patrick Beatty ("Beatty") is presently, and was at all material times, licensed as an insurance adjuster in the State of Arizona (License No. 12878). That license is due to expire March 31, 1998.
2. Beatty was, at all material times, a part owner, officer and director of the Personal Injury Adjuster, Inc. ("Personal Injury Adjuster"). Beatty was also, at all material times, the Senior License Adjuster for the Personal Injury Adjuster.

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OCT 20 1997  
LICENSING SECTION

1           3.    On or about March 26, 1996, Beatty filed an application  
2 to renew his insurance adjuster's license ("1996 application")  
3 with the Department.

4           4.    Section IV, Question E. Parts 4 and 6 of the renewal  
5 application asks:

6                   E. SINCE YOUR LAST APPLICATION OR RENEWAL,  
7                   has any judgment, order or other determination  
8                   been issued or made you in any criminal,  
9                   civil, administrative or other judicial or  
10                   quasi-judicial proceeding of any kind in any  
11                   jurisdiction based on any of the following:

12                   4. Fraud or misrepresentation?

13                   6. Any other reason?

14 Beatty answered "No" to these questions.

15           5.    Prior to filing the 1996 application, Beatty filed an  
16 application to renew his insurance adjuster's license with the  
17 Department on July 14, 1994.

18           6.    On or about September 24, 1994, a civil complaint was  
19 filed against Beatty and other defendants alleging Breach of  
20 Contract; Negligence; Unjust Enrichment; Fraud; Arizona RICO; and  
21 Constructive Trust in Meyer v. Spiezer, et al., Maricopa County  
22 Superior Court, Case No. CV94-15495 ("Case No. CV94-15495").

23           7.    On or about June 22, 1995, an Arbitration Award was  
24 entered in Case No. CV94-15495, finding in favor of Plaintiff  
25 Nicholas J. Meyer ("Plaintiff") and against Defendants Beatty and  
26 Richard S. Berry, individually and doing business as The Personal  
Injury Adjuster, and against The Personal Injury Adjuster, an  
Arizona corporation ("Defendants"), on the basis of Fraud. The  
Arbitrator awarded actual damages to Plaintiff in the amount of

1 \$7,393.35 plus punitive damages of 15,000.00, and additional  
2 attorneys' fees and costs of \$4,633.60. The Arbitrator  
3 specifically found that the liability of Defendants was to be  
4 joint and several.

5 8. On or about February 8, 1996, the Court entered a  
6 Judgment and Order, in accordance with the Arbitration Award, in  
7 Case No. CV 94-15495, granting Plaintiff judgment against Beatty  
8 and other Defendants on the basis of Count Four of the Complaint,  
9 Fraud. Count Four of the Complaint was, in part, based on  
10 allegations that the Defendants obtained proceeds arising out of  
11 the settlement of a personal injury claim by falsely representing  
12 that Plaintiff had been paid for providing dental services, when  
13 in fact, Plaintiff had not been paid at all. The Court awarded  
14 Plaintiff actual damages in the amount of \$7,393.35 plus interest,  
15 punitive damages in the amount of \$15,000, plus interest, and  
16 reasonable attorneys' fees and costs in the amount of \$4,633.60,  
17 plus interest. The Court also found that the liability of  
18 Defendants was to be joint and several.

19 9. Beatty failed to disclose the above-described civil  
20 fraud judgment entered against him on his 1996 application.

21 CONCLUSIONS OF LAW

22 1. The Department has jurisdiction in this matter.

23 2. Respondent Beatty's conduct alleged above constitutes  
24 the wilful violation of, or wilful noncompliance with, any  
25 provision of this title, or any lawful rule, regulation or order  
26 of the director in violation of A.R.S. § 20-316(A)(2).



1           3.     Respondent Beatty's conduct alleged above constitutes  
2 the existence of misrepresentation or fraud in obtaining or  
3 attempting to obtain any insurance license in violation of 20-  
4 316(A) (3) .

5           4.     As a result of the findings on which the above-described  
6 civil fraud judgment is based, Respondent Beatty's conduct and  
7 actions constitute the misappropriation or conversion to his own  
8 use or illegal withholding of monies belonging to policyholders,  
9 insurers, beneficiaries or others and received in or during the  
10 conduct of business under the license or through its use, in  
11 violation of A.R.S. § 20-316(A) (4) .

12           5.     As a result of the findings on which the above-described  
13 civil fraud judgment is based, Respondent Beatty's conduct and  
14 actions constitute a conduct of affairs under the license showing  
15 the licensee to be incompetent or a source of injury and loss to,  
16 or repeated complaint by, the public or any insurer, within the  
17 meaning of A.R.S. § 20-316(A) (7) .

18           6.     Grounds exist for the Director to suspend, revoke or  
19 refuse to renew Respondent Beatty's insurance adjuster's license,  
20 impose a civil penalty upon Respondent Beatty, and/or order  
21 restitution, pursuant to A.R.S. §§ 20-316(A) and 20-316(C) .

22                                 ORDER

23 NOW, THEREFORE, IT IS ORDERED:

24           1.     All insurance licences held by Respondent Scott Patrick  
25 Beatty are revoked effective upon entry of this Order.

26

1 2. In lieu of restitution and civil penalties against  
2 Respondent Scott Patrick Beatty, the Judgment and Order in Meyer  
3 v. Spiezer, et al., Maricopa County Superior Court, Case No. CV94-  
4 15495, shall be fully satisfied.

5 DATED this 20 day of October 1997.

6  
7   
8 JOHN A. GREENE, Director  
9 Arizona Department of Insurance

10 CONSENT TO ORDER

11 1. Scott Patrick Beatty has reviewed the attached Order.

12 2. Scott Patrick Beatty is aware of his right to a hearing  
13 at which hearing he may be represented by counsel, present  
14 evidence and cross-examine witnesses. Scott Patrick Beatty waives  
15 his right both to demand a public hearing and to seek judicial  
16 review of this Consent Order.

17 3. Scott Patrick Beatty admits the jurisdiction of the  
18 Director of Insurance, State of Arizona, admits the forgoing  
19 Findings of Fact, consent to the entry of the foregoing  
20 Conclusions of Law and consents to the entry of this Order.

21 4. Scott Patrick Beatty states that no promise of any kind  
22 or nature has been made to induce him to enter into this Order and  
23 that he has entered into this order voluntarily.

24 5. Scott Patrick Beatty acknowledges that the acceptance of  
25 this Order by the Director of Insurance, State of Arizona, is  
26 solely to settle this matter against him and does not preclude any

1 other agency or officer of this state or subdivision from  
2 instituting other civil or criminal proceedings as may be  
3 appropriate now or in the future.

4  
5 Date 10/10/97  
6

  
SCOTT PATRICK BEATTY

7  
8 COPY of the foregoing mailed  
9 this 20th day of October  
1997, to:

10 Michael J. De La Cruz  
11 Assistant Attorney General  
12 1275 West Washington Street  
Phoenix, Arizona 85007  
Attorney for the Department

13 Charles R. Cohen, Deputy Director  
14 Gregory Y. Harris, Executive Assistant Director  
15 John Gagne, Assistant Director  
16 Arnold Sniegowski, Investigations Supervisor  
17 **Maureen Catalioto**, Supervisor  
Department of Insurance  
2910 North 44th Street, Suite 210  
Phoenix, Arizona 85018

18 Scott P. Beatty  
19 4023 W. Angela Drive  
Glendale, Arizona 85308  
Respondent

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21 #14206

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