

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

SPEAR, LAWRENCE GARALD, III

(National Producer No. 15125623)

Respondent.

No. 21A- 064 -INS

CONSENT ORDER

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that **Lawrence Garald Spear III** (“Spear” or “Respondent”) violated provisions of Title 20, Arizona Revised Statutes (“A.R.S.”). Respondent wishes to resolve this matter without the commencement of formal proceedings, and admit the following Findings of Fact are true, and consent to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Spear was, at all times material, licensed as an Arizona resident insurance producer with four lines of authority: life, accident and health or sickness, property, and casualty insurance. Spear’s license, national producer number 15125623, expired on May 31, 2021.

2. Spear’s addresses of record with the Department are 2739 Mogollon Dr., Overgaard, AZ 85933 (business), P.O. Box 1631, Overgaard, AZ 85933 (mailing), and Gary@GarySpearAgency.com (business e-mail).

3. On May 19, 2020, a consumer submitted a written complaint to the Department alleging that he paid Spear \$1,657.80 in premium down payment for a workers’ compensation insurance policy. The consumer further alleged that Spear arranged financing for the remainder

1 of the insurance premium and the consumer paid monthly payments to the finance company
2 totaling \$3,112.20.

3 4. The consumer stated that he discovered Spear never placed the workers'
4 compensation policy with the insurance company and kept his down payment. The consumer
5 tried to contact Spear regarding this matter, but Spear failed to return any of his calls.

6 5. On May 22, 2020, the Department sent Spear an email with a copy of the
7 consumer's complaint and a request for information, records, and a response to the complaint by
8 June 22, 2020.

9 6. The Department received a "read receipt" on this email sent to Spear. Spear failed
10 to respond to the Department's request for information and records by the June 22, 2020 due date.

11 7. On July 2, 2020, the Department sent Spear a letter informing him of the email
12 request that was sent on May 22, 2020, and the fact that the Department had not yet received any
13 response from him. The letter reminded Spear of the statutes requiring licensees to respond to
14 Department requests for information and records.

15 8. On September 24, 2020, the Department again sent Spear a letter by certified mail
16 requesting a response and documents. The Unites States Postal Service tracking website showed
17 the letter as "Insufficient Address" and returned it to the Department.

18 9. On October 15, 2020, the consumer notified the Department that Spear returned the
19 full premium refund of \$4,788 in June 2020.

20 10. While investigating this matter, the Department became aware that Spear used the
21 assumed names of Gary Spear and Gary Spear Agency to market, solicit, and sell insurance
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1 business through the use of highway signage and periodical advertisements. Spear failed to notify
2 the Department before using any assumed or trade name.

3 11. On January 14, 2021, the Department sent Spear a second email with a copy of the
4 consumer's complaint and a request for information, records, and a response to the complaint by
5 February 5, 2021.

6 12. On February 5, 2021, Spear responded to the Department by emailing a written
7 response and a providing a copy of the consumer's refund check. Spear stated that he overlooked
8 the placement of the consumer's insurance policy due to the loss of a family member. He further
9 stated that he made a full refund to the consumer on May 22, 2020.

10 13. On March 23, 2021, the Department conducted a virtual conference with Spear,
11 during which Spear acknowledged not binding the consumer's quote for the workers'
12 compensation policy. Spear further acknowledged receiving both the consumer's down payment
13 and finance company funds for the policy and depositing them into his trust account. Spear did
14 not recall what he did with these funds while they were in his possession.

15 14. Spear confirmed that he received the Department's initial email on May 22, 2020,
16 and that he failed to respond as directed.

17 15. Spear confirmed that he used the assumed business names of Gary Spear and Gary
18 Spear Agency to market, solicit, and sell insurance products. Spear stated he was unaware that
19 he needed to register these names with the Department prior to their use.

20 **CONCLUSIONS OF LAW**

21 16. The Director has jurisdiction over this matter.
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1 17. Respondent's conduct, as described above, constitutes failing to produce accounts,
2 records, documents, files, assets and matters in the person's possession or control relating to the
3 subject of the examination, within the meaning of A.R.S. § 20-157(A).

4 18. Respondent's conduct, as described above, constitutes violating any provision of
5 Title 20 or any rule of the director, within the meaning of A.R.S. § 20-295(A)(2).

6 19. Respondent's conduct, as described above, constitutes improperly withholding,
7 misappropriating or converting any monies received in the course of doing insurance business,
8 within the meaning of A.R.S. § 20-295(A)(4).

9 20. Respondent's conduct, as described above, constitutes demonstrating
10 incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this
11 state or elsewhere, within the meaning of A.R.S. § 20-295(A)(8).

12 21. Respondent's conduct, as described above, constitutes doing business under any
13 name other than the producer's legal name without notification to the director on the prescribed
14 form before using the assumed name, within the meaning of A.R.S. § 20-297(A).

15 22. Grounds exist for the Director to suspend, revoke, or refuse to renew Respondent's
16 insurance license pursuant to A.R.S. § 20-157(A), A.R.S. § 20-295(A)(2), (A)(4), (A)(8) and
17 A.R.S. § 20-297(A).

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1 **ORDER**

2 IT IS HEREBY ORDERED THAT:

3 Lawrence Garald Spear III's Arizona insurance producer license, number 15125623, is
4 revoked effective immediately.

5 Effective this 1st day of December, 2021.

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7 _____
8 Evan G. Daniels, Director
9 Arizona Department of Insurance and Financial Institutions

9 **CONSENT TO ORDER**

10 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and
11 Order.

12 2. Respondent admits to the jurisdiction of the Director of the Arizona Department of
13 Insurance and Financial Institutions and admits the foregoing Findings of Fact and consents to
14 the entry of the foregoing Conclusions of Law and Order.

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

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


19 5. Respondent states that no promise of any kind or nature whatsoever, except as
20 expressly contained in this Consent Order, was made to induce it to enter into this Consent Order
21 and that it has entered into this Consent Order voluntarily.

1 6. Respondent acknowledges and agrees that the acceptance of this Consent Order by
2 the Director is solely to settle this matter and does not preclude the Department from instituting
3 other proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding
4 any language in this Consent Order, this Consent Order does not preclude in any way any other
5 state agency or officer or political subdivision of this state from instituting proceedings,
6 investigating claims, or taking legal action as may be appropriate now or in the future relating to
7 this matter or other matters concerning Respondent, including but not limited to violations of
8 Arizona's Consumer Fraud Act. Respondent acknowledges that, other than with respect to the
9 Department, this Consent Order makes no representations, implied or otherwise, about the views
10 or intended actions of any other state agency or officer or political subdivision of the state relating
11 to this matter or other matters concerning Respondent.

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

17 8. Respondent waives all rights to seek an administrative or judicial review or
18 otherwise to challenge or contest the validity of this Consent Order and its accompanying parts
19 before any court of competent jurisdiction.

20
21 12-1-2021
22 Date


Lawrence Garald Spear III

1 **ORIGINAL** of the foregoing filed
this 2nd day of December, 2021, in the office of:

2
3 Evan G. Daniels, Director
4 Arizona Department of Insurance and Financial Institutions
5 Attn: Ana Starcevic
6 100 North 15th Avenue, Suite 261
7 Phoenix, AZ 85007-2630

8 **COPY** of the foregoing delivered same date to:

9 Deian Ousounov, Regulatory Legal Affairs Officer
10 Ana Starcevic, Paralegal Project Specialist
11 Steven Fromholtz, Assistant Director for Consumer Protection
12 Wendy Greenwood, Investigations Supervisor
13 Aqueelah Currie, Licensing Supervisor
14 Linda Lutz, Legal Assistant
15 Arizona Department of Insurance and Financial Institutions
16 100 North 15th Avenue, Suite 261
17 Phoenix, Arizona 85007

18 **COPY** mailed same date by
19 Certified Mail, Return Receipt Requested, to:

20 Lawrence Garald Spear III
21 2739 Mogollon Dr.
22 Overgaard, AZ 85933
Respondent

Lawrence Garald Spear III
P.O. Box 1631
Overgaard, AZ 85933
Respondent

COPY sent same date via electronic mail to:

Lawrence Garald Spear III
Gary@GarySpearAgency.com
Garyspear777@yahoo.com
Respondent

1 James Rolstead, Assistant Attorney General

James.Rolstead@azag.gov

2 AdminLaw@azag.gov

Attorney for the Department

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4 Francine Juarez

9749002

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