

JUL 30 1992

1 7479C/CPA92-191:bjb

DEPARTMENT OF INSURANCE
By

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

4	In the Matter of:)	
5	DOUGLAS JOSEPH CARPA, individually)	No. 7797
6	and dba CENTARE INSURANCE TRUST,)	
7	DOUG CARPA AGENCY, ASOCIACION)	ORDER SUMMARILY SUSPENDING
8	BENEFICA DE CHOFERES, UNITED)	LICENSES AND NOTICE OF
9	INSURANCE GROUP; UNITED INSURANCE)	OPPORTUNITY FOR HEARING
10	GROUP TRUST; GUARDIAN INSURANCE)	
	TRUST; AMERICAN COMMON TRUST and)	
	SUNSHINE STATE MARKETING TRUST,)	
	Respondents.)	

11 The Department of Insurance ("Department") alleging
12 below that Respondents have violated the provisions of A.R.S.
13 Title 20, and the Director of Insurance ("Director") finding that
14 the public health, safety and welfare imperatively require
15 emergency action;

16 IT IS HEREBY ORDERED summarily suspending Respondents'
17 Arizona insurance licenses, effective immediately, pending the
18 proceedings for revocation commenced this date.

19 DATED this 30th day of July, 1992.

20
21 
22 _____
23 SUSAN GALLINGER
24 Director of Insurance

23 Pursuant to Titles 20 and 41 of the Arizona Revised
24 Statutes, Respondents are hereby notified that the Department
25 alleges the following grounds to suspend, revoke or refuse to
26 renew Respondents' insurance licenses, and that Respondents are

1 entitled to request a hearing to contest said allegations. The
2 request for hearing must be in writing and received at the
3 following address within thirty (30) days from the date hereof:

4 Arizona Department of Insurance
5 Hearing Division
6 3030 North Third Street, Suite 1100
7 Phoenix, Arizona 85012

8 NOTICE OF APPLICABLE RULES

9 On January 23, 1992, the Arizona Department of Insurance
10 adopted A.A.C. R4-14-101 through R4-14-115, setting forth the
11 rules of practice and procedure applicable in contested cases
12 before the Director of Insurance. If a hearing is requested, the
13 hearing will be conducted pursuant to these rules.

14 PURSUANT TO A.A.C. R4-14-106, IF RESPONDENTS REQUEST A
15 HEARING, RESPONDENTS SHALL FILE A WRITTEN ANSWER TO THE
16 ALLEGATIONS, TOGETHER WITH THEIR REQUESTS FOR HEARING AND SHALL
17 MAIL OR DELIVER A COPY OF THE ANSWER TO ASSISTANT ATTORNEY
18 GENERAL KATRINA ROGERS, CONSUMER PROTECTION & ANTITRUST SECTION,
19 ATTORNEY GENERAL'S OFFICE, 1275 WEST WASHINGTON, PHOENIX, ARIZONA
20 85007. THE ANSWER SHALL STATE RESPONDENT'S POSITION OR DEFENSE
21 AND SHALL SPECIFICALLY ADMIT OR DENY EACH ASSERTION. ANY
22 ASSERTION NOT DENIED SHALL BE DEEMED TO BE ADMITTED. ANY DEFENSE
23 NOT RAISED IN THE ANSWER SHALL BE DEEMED WAIVED. IF AN ANSWER IS
24 NOT TIMELY FILED, THE RESPONDENT SHALL BE DEEMED IN DEFAULT AND
25 THE DIRECTOR MAY DEEM THE ALLEGATIONS ARE TRUE, AND TAKE WHATEVER
26 ACTION IS APPROPRIATE, INCLUDING SUSPENSION, REVOCATION, DENIAL
OF A LICENSE, OR RENEWAL OF A LICENSE, IMPOSITION OF A CIVIL

1 PENALTY AND/OR ORDER OF RESTITUTION TO ANY PARTY INJURED.

2 Upon receipt of a timely written request for hearing,
3 the Director will issue a statement setting the time and place of
4 the hearing. If no timely written request for hearing is
5 received, the Director will enter the following allegations as
6 findings of fact and conclusions of law, and will order the
7 revocation of Respondents' insurance licenses together with
8 appropriate civil penalties and restitution as allowed by the law.

9 The allegations supporting this Order are as follows:

10 1. Douglas Joseph Carpa ("Carpa") is presently, and
11 was at all material times, licensed as a life and disability
12 agent, property and casualty agent, property and casualty broker
13 and surplus lines broker in the state of Arizona (license no.
14 19073). The life and disability license expires March 31, 1993,
15 the property and casualty agents license, the property and
16 casualty brokers license, and the surplus lines brokers license
17 expire March 31, 1994.

18 2. Carpa has transacted insurance business under his
19 license using the names Doug Carpa Agency, Asociacion Benefica De
20 Choferes, Centare Insurance Trust and United Insurance Group
21 Trust.

22 3. On or about June 11, 1992, Carpa filed a
23 Certificate of Assumed Business Name with the Department to
24 transact insurance business under the name of Centare Insurance
25 Trust.

26 4. United Insurance Group Trust ("United") is

1 presently, and was at all material times, licensed as a life and
2 disability insurance agency and a property and casualty broker in
3 the state of Arizona (license no. 0520569.) United's life and
4 disability insurance agency license expires May 31, 1993 and its
5 property and casualty broker's license expires May 31, 1994.
6 Carpa is the sponsoring agent/broker and controlling principal of
7 United. Carpa misrepresented that United operated as a
8 partnership in order to qualify for licensing under A.R.S.
9 § 20-295.

10 5. Royal Guardian Insurance Trust ("Royal") is
11 presently, and was at all material times, licensed as a life and
12 disability insurance agency and a property and casualty broker in
13 the state of Arizona (license no. 794746.) Royal's life and
14 disability insurance agency license expires March 31, 1993 and
15 its property and casualty broker's license expires March 31,
16 1994. Carpa is the sponsoring agent/broker and controlling
17 principal of Royal. Royal misrepresented that Royal operated as
18 a partnership in order to qualify for licensing under A.R.S.
19 § 20-295.

20 6. American Common Trust ("American") is presently,
21 and was at all material times, licensed as a life and disability
22 insurance agency and a property and casualty broker in the state
23 of Arizona (license no. 567923.) American's life and disability
24 insurance agency license expires January 31, 1993 and its
25 property and casualty broker's license expires January 31, 1994.
26 Carpa is the sponsoring agent/broker and controlling principal of

1 American. Carpa misrepresented that American operated as a
2 partnership in order to qualify for licensing under A.R.S.
3 § 20-295.

4 7. Sunshine State Marketing Trust ("Sunshine") is
5 presently, and was at all material times, licensed as a life and
6 disability insurance agency in the state of Arizona (license no.
7 7974.) Sunshine's life and disability insurance agency license
8 expires April 30, 1993. Carpa is the sponsoring agent/broker and
9 controlling principal of Sunshine. Carpa misrepresented that
10 American operated as a partnership in order to qualify for
11 licensing under A.R.S. § 20-295.

12 8. In June 1991, Respondent Carpa was indicted in the
13 United States District Court, Central District of California
14 CR92-484 on charges of conspiracy, mail fraud, and wire fraud in
15 connection with a fraudulent insurance scheme.

16 9. The Department received a complaint against
17 Respondents Carpa and United from Fran Percarpio of Wachovia
18 Personal Financial Services on May 6, 1992 regarding possible
19 fraudulent behavior of Respondent.

20 10. On or about June 15, 1992, the Department issued
21 Carpa a subpoena commanding him to appear before the Arizona
22 Department of Insurance on June 24, 1992 at 2:00 p.m., to testify
23 and give evidence.

24 11. On or about June 24, 1992, Carpa appeared before
25 the Department as commanded. Carpa refused to answer questions
26 or supply requested documents in violation of A.R.S. § 20-160.

1 Consequently, the Director is unable to determine if Respondents
2 are in compliance with applicable insurance laws. Therefore, the
3 Director has cause to believe that Respondents may cause harm to
4 the public.

5 12. Department records indicated Respondent Carpa
6 listed his social security number as 151-34-6787 on his license
7 application. However, he listed his social security number as
8 986-03-7826 in license applications with the Virginia Department
9 of Insurance. Respondent Carpa refused to give his social
10 security number during the examination under oath by the
11 Department.

12 13. The conduct described above constitutes wilful
13 violation of or wilful noncompliance with any provision of Title
14 20, Arizona Revised Statutes, or any lawful rule, regulation or
15 order of the Director within the meaning of A.R.S. § 20-316(A)(2).

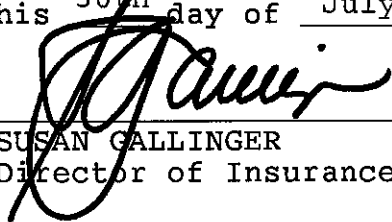
16 14. The conduct described in paragraphs 4-7 and 12
17 constitutes misrepresentation in obtaining an insurance license
18 in violation of A.R.S. § 20-316(A)(3).

19 15. The conduct described in paragraphs 8, 9 and 12
20 above constitutes a record of dishonesty on the part of
21 Respondent Carpa in business or financial matters in violation of
22 A.R.S. § 20-290(B)(2) which constitutes the existence of any
23 cause for which the original issuance or any renewal of a license
24 could have been refused in violation of A.R.S. § 20-316(A)(1).

25 WHEREFORE, if Respondents do not request a hearing to
26 contest the above allegations, or if after hearing the Director

1 makes a finding of one or more of the above-alleged violations,
2 she may suspend, revoke or refuse to renew Respondents' insurance
3 licenses, impose civil penalties upon Respondents and order
4 restitution, pursuant to A.R.S. §§ 20-316(A), 20-316(C), and
5 20-418(B).

6 DATED in Phoenix, Arizona this 30th day of July, 1992.

7
8 
9 SUSAN GALLINGER
Director of Insurance

10 COPY of the foregoing mailed this
11 30th day of July, 1992, to:

12 Katrina Rogers
13 Assistant Attorney General
14 Consumer Protection & Antitrust Section
15 Attorney General's Office
16 1275 West Washington, Room 259
17 Phoenix, Arizona 85007
18 Attorney for the Department of Insurance

19 Joseph M. Hennelly, Jr., Deputy Director
20 Maureen Catalioto, Supervisor
21 Jay Rubin, Assistant Director
22 Sandra Yaffi, Investigator
23 Department of Insurance
24 3030 North Third Street, Suite 1100
25 Phoenix, Arizona 85012

26 Douglas J. Carpa - regular and certified mail
2332 E. La Jolla Drive
Tempe, Arizona 85282

Douglas J. Carpa
P.O. Box 27413
Tempe, Arizona 85285

United Insurance Group Trust
2332 E. La Jolla Drive
Tempe, Arizona 85282

United Insurance Group Trust
P.O. Box 27413
Tempe, Arizona 85285

1 Royal Guardian Insurance Trust
1414 West Broadway, Suite 104
2 Tempe, Arizona 85282

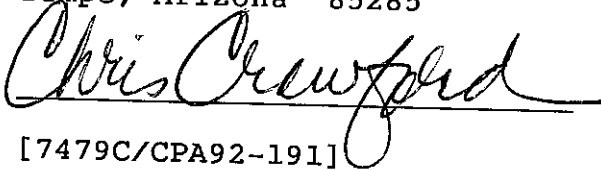
3 Royal Guardian Insurance Trust
P.O. Box 23791
4 Tempe, Arizona 85285

5 American Common Trust
2332 E. La Jolla Drive
6 Tempe, Arizona 85282

7 American Common Trust
P.O. Box 27413
8 Tempe, Arizona 85285

9 Sunshine State Marketing Trust
2332 E. La Jolla Drive
10 Tempe, Arizona 85282

11 Sunshine State Marketing Trust
P.O. Box 27413
12 Tempe, Arizona 85285

13 
14 [7479C/CPA92-191]

15
16
17
18
19
20
21
22
23
24
25
26