

1 Louetta Mustic dba Alice Long; A.A. Haney and Associates, Inc.;
2 National Insurance Management, Inc.; National Administrative
3 Corporation, Inc. and National Insurance Warehouse, hereinafter
4 referred to as "Haney Respondents."

5 On September 17, 1993, the Haney Respondents submitted a
6 request for hearing and a notice of hearing was issued on the
7 same date. An Amended Order of Cease and Desist was issued on
8 November 1, 1993 against all of the Haney Respondents except for
9 A.A. Haney and National Insurance Management Inc. On December 2,
10 1993, an Amended Order of Cease and Desist as to Respondents A.A.
11 Haney and National Insurance Management Inc. was issued to
12 correct the inadvertent omission of these two Respondents from
13 the previous Amended Cease and Desist Order of November 1, 1993.
14 On January 21, 1994, the Haney Respondents served an answer to
15 the Amended Cease and Desist Orders of November 1, 1993 and
16 December 2, 1993.

17 On May 4, 1994, a Notice of Hearing was issued in Docket
18 Number 8426, In the Matter of the licenses of Arthur Alvin Haney,
19 a.k.a. A.A. Haney and Al Haney; James G. Rickard, a.k.a. Gary
20 Rickard; National Administrative Corporation, Inc.; National
21 Insurance Warehouse, Inc.; National Insurance Management, Inc.,
22 all entities holding licenses issued by the Department and under
23 the management and control of Arthur Alvin Haney. The licensed
24 entities set forth in the Notice of Hearing, Docket Number 8426,
25 shall be referred to hereinafter as "Haney Licensees." In the
26 Notice of Hearing, Docket Number 8426, the Department made

1 certain allegations of violations of Ariz. Rev. Stat. Title 20
2 committed by the Haney Licensees as grounds for the revocation of
3 their licenses. The Haney Respondents and Haney Licensees have
4 received copies of all notices of hearing, have been advised of
5 their rights to a hearing, which they waive. The Haney Licensees
6 admit to the following Findings of Fact, and without admitting
7 that said facts constitute any wrongdoing, consent to the entry
8 of the following Conclusions of Law and Order:

9 FINDINGS OF FACT

10 1. Respondent/Licensee Arthur Alvin Haney, aka Al
11 Haney, aka A.A. Haney, ("Haney") was at all times material to
12 this matter, licensed as an insurance agent or broker by the
13 State of Arizona, license number 48303. Haney's license expired
14 on January 31, 1995.

15 2. On and after March 1, 1990, Respondent/Licensee
16 Haney participated directly or through agents, partners, or
17 associations, in the solicitation of membership in a union for
18 the purpose of inducement or effectuation of insurance contracts
19 between members and carriers not authorized to transact health
20 insurance in Arizona.

21 3. A.A. Haney and Associates, Inc., ("A.A.H.") is
22 presently, or was at all times material to this matter, licensed
23 as an insurance agency by the State of Arizona, license number
24 137718. A.A.H.'s license will expire on May 31, 1995.

25 4. Respondent/Licensee A.A.H. is an Arizona
26 corporation authorized to transact business in the State of

1 Arizona since November 12, 1975. Respondent Haney is the
2 President and Respondent Michael Anastasio is the
3 Secretary/Treasurer of Respondent corporation.

4 5. On and after March 1, 1990, Respondent/Licensee
5 A.A.H. participated directly or through agents, principals,
6 partners, or associations, in the solicitation of membership in a
7 union for the purpose of inducement or effectuation of insurance
8 contracts between members and carriers not authorized to transact
9 health insurance in Arizona.

10 6. Respondent/Licensee National Administrative
11 Corporation, Inc., ("NAC") is presently, or was at all times
12 material to this matter, licensed as an insurance agency by the
13 State of Arizona, license number 349159. NAC's license will
14 expire on March 31, 1995. Respondent Haney controls the
15 day-to-day operations of NAC.

16 7. Respondent/Licensee NAC is an Arizona corporation
17 authorized to transact business in the State of Arizona since
18 February 8, 1983. Respondent/Licensee Haney is the President of
19 the corporation.

20 8. On and after March 1, 1990, Respondent/Licensee NAC
21 participated directly or through agents, principals, partners or
22 associations, in the solicitation of membership in a union for
23 the purpose of inducement or effectuation of insurance contracts
24 between members and carriers not authorized to transact health
25 insurance in Arizona.

1 9. Respondent/Licensee National Insurance Warehouse,
2 ("Warehouse") is presently, or was at all times material to this
3 matter, licensed as an insurance agency by the State of Arizona,
4 license number 413233. Respondent Warehouse's license will
5 expire on June 30, 1995. Respondent Haney controls the
6 day-to-day operations of Respondent Warehouse.

7 10. Respondent/Licensee Warehouse is an Arizona
8 corporation authorized to transact business in the State of
9 Arizona since July 7, 1986. Respondent/Licensee Haney is the
10 President of the corporation.

11 11. On and after March 1, 1990, Respondent/Licensee
12 Warehouse participated directly or through agents, principals,
13 partners, or associations, in the solicitation of members in a
14 union for the purpose of inducement or effectuation of insurance
15 contracts between members and carriers not authorized to transact
16 health insurance in Arizona.

17 12. Respondent/Licensee National Insurance Management,
18 Inc. ("NIM") is presently, or was at all times material to this
19 matter, licensed as an insurance agency by the State of Arizona,
20 license number 294063. NIM's license will expire on February 28,
21 1995. Respondent Haney controls the day-to-day operations of
22 Respondent NIM.

23 13. Respondent/Licensee NIM is an Arizona corporation
24 authorized to transact business in the State of Arizona since
25 February 1, 1981. Respondent Haney is the President of the
26 corporation.

1 14. On and after March 1, 1990, Respondent/Licensee NIM
2 participated directly or through agents, principals, partners, or
3 associations, in the solicitations, inducement or effectuation of
4 insurance contracts underwritten by carriers not authorized to
5 transact health insurance in Arizona or as an unregistered third
6 party administrator.

7 15. Respondent/Licensee James G. Rickard, aka Gary
8 Rickard ("Rickard"), is presently, or was at all times material
9 to this matter, licensed as an insurance agent or broker by the
10 State of Arizona, license number 642834. Rickard's license will
11 expire on August 31, 1995.

12 16. On and after March 1, 1990, Respondent/Licensee
13 Rickard participated directly or through agents, partners, or
14 associations, in the solicitation of membership in a union for
15 the purpose of inducement or effectuation of insurance contracts
16 between members and carriers not authorized to transact health
17 insurance in Arizona.

18 17. Council For Recreation, Energy and Tourist
19 Enrichment, dba C.R.E.A.T.E., ("C.R.E.A.T.E.") was an Arizona
20 corporation authorized to transact business in the State of
21 Arizona on November 4, 1982. C.R.E.A.T.E.'s authorization to do
22 business in Arizona was revoked on February 10, 1993.

23 Respondent/Licensee Haney a was a director of C.R.E.A.T.E.

24 18. From approximately March 1, 1990, through
25 approximately June 30, 1991, C.R.E.A.T.E., an unlicensed entity
26 solicited and induced the procurement of health insurance

1 coverage, entered into preliminary negotiations, effectuated a
2 contract for insurance, and transacted matters subsequent to the
3 effectuation of the insurance contract or arising out of the
4 insurance contracts for or with residents of Arizona on behalf of
5 unauthorized carriers Empire Blue Cross and Blue Shield and
6 Winston-Hill Assurance Company, Ltd.

7 19. Western Businessmen's Association, ("WBA") is a
8 corporation authorized to transact business in the State of
9 Arizona since May 13, 1992. Respondent/Licensee Rickard was the
10 President of WBA from May 1992 to the present.

11 20. From approximately June 1990 through the present,
12 WBA, an unlicensed entity with its principal place of business in
13 Phoenix, Arizona, solicited and induced the procurement of health
14 insurance coverage, entered into preliminary negotiations,
15 effectuated a contract for insurance, or transacted matters
16 subsequent to the effectuation of the insurance contract or
17 arising out of the insurance contracts for or with various
18 residents of Arizona on behalf of unauthorized carriers, Global
19 Capital Assurance Company, Ltd., Commercial Acceptance Insurance
20 Company, Provident Capital Indemnity, Ltd., Universal General
21 Insurance Company, Ltd., or First Assurance.

22 21. National Labor Relations Consultants Corp.,
23 ("N.L.R.C.C.") is not authorized to transact business in the
24 State of Arizona. Respondent Rickard controlled the day to day
25 operations of N.L.R.C.C. for all times material to this matter.
26

1 Warehouse, Inc. and National Insurance Management, Inc. are
2 hereby revoked.

3 4. Respondent Alice Louetta Mustic dba Alice Long is
4 dismissed from this action without prejudice.

5 Dated in Phoenix, Arizona this 6th day of March, 1995.

6 
7 _____
8 CHRIS HERSTAM, Director
9 Arizona Department of Insurance

10 CONSENT TO ORDER

11 1. Respondents acknowledge that they have read the
12 foregoing Findings of Fact, Conclusions of Law and Order and are
13 aware of their right to an administrative hearing in this matter
14 and have waived same.

15 2. The undersigned admit the jurisdiction of the
16 Department and, without admitting any wrongdoing, admit to the
17 foregoing Findings of Facts and consent to the entry of the
18 foregoing Conclusions of Law and Order for the purpose of
19 resolving this matter.

20 3. The undersigned state that no promises were made to
21 them to induce them to enter into this Consent Order and declare
22 that they have entered into this Consent Order voluntarily.

23 4. The undersigned acknowledge that this Consent
24 Order, Findings of Fact and Conclusions of Law are solely for the
25 purpose of resolving this matter and that the admissions,
26 Findings of Fact and Conclusions of Law are intended to be
applicable only to this proceeding but does not preclude any

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

4 5. The undersigned waive all rights to challenge such
5 Findings of Fact, Conclusions of Law and Order on appeal or
6 otherwise, and agree to be bound by the foregoing Order.

7 6. The undersigned hereby submit to personal
8 jurisdiction and agrees to accept service of subpoenas for the
9 production of documents or witnesses in any related cases
10 currently pending before the Department.

11 7. The Undersigned who shall sign on behalf of
12 corporate Respondents represents that he/she is an officer of
13 respective Respondent and has the authority to enter into this
14 Order for and on behalf of Respondent.

15
16 3-2-1995 By: Arthur Alvin Haney
Date Arthur Alvin Haney, aka
A.A. Haney and Al Haney

17
18
19 _____ By: _____
Date James G. Rickard aka Gary Rickard

20
21 3-3-95 By: Alice Louetta Mustic dba Alice Long
Date Alice Louetta Mustic dba Alice Long

22
23 3-2-1995 By: A.A. Haney Pres
Date A.A. Haney & Associates, Inc.

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15
16 3-2-1995
Date

16 By: Arthur Alvin Haney
Arthur Alvin Haney, aka
A.A. Haney and Al Haney

17
18
19 3-2-1995
Date

19 By: James G. Rickard
James G. Rickard aka Gary Rickard

20
21
22 _____
Date

22 By: _____
Alice Louetta Mustic dba Alice Long

23
24 3-2-1995
Date

24 By: A.A. Haney Pres
A.A. Haney & Associates, Inc.

1 Jerry Thomas
2 2237 East Cedar Avenue
3 Flagstaff, Arizona 86004
4 Attorney for Alvin Haney,
5 a.k.a. A.A. Haney and Al
6 Haney; James G. Rickard,
7 a.k.a. Gary Rickard; Alice
8 Louetta Mustic dba Alice Long;
9 A.A. Haney & Associates, Inc.;
10 National Insurance Management, Inc.;
11 National Administrative Corporation,
12 Inc.; National Insurance Warehouse
13 and Gunhild Allen

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3-2-95

Date

By:

AD Haney
National Insurance Management, Inc.

3-2-95

Date

By:

AD Haney
National Administrative Corp., Inc.

3-2-95

Date

By:

AD Haney
National Insurance Warehouse

COPY of the foregoing mailed this
6th day of March, 1995 to:

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Charles R. Cohen, Executive Assistant Director
John Gagne, Acting Manager, Investigations
Maureen Catalioto, Supervisor
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Louetta Mustic dba Alice Long;
A.A. Haney & Associates, Inc.;
National Insurance Management, Inc.;
National Administrative Corporation,
Inc.; National Insurance Warehouse
and Gunhild Allen

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