

1 as administrative law judge in this matter and the Director
2 revoked the previous delegation to Gregory Y. Harris.

3 Based upon the entire record in this matter, including
4 all pleadings, motions, testimony, and exhibits admitted during
5 the hearing of this matter, Administrative Law Judge Lewis D.
6 Kowal has prepared the following Findings of Fact, Conclusions of
7 Law, and Order for consideration and approval by the Director of
8 the Arizona Department of Insurance (the "Director"). The
9 Director adopts and enters the following Findings of Fact,
10 Conclusions of Law and enters the following Order:

11 FINDINGS OF FACT

12 1. KL&K is an Oregon corporation licensed as a
13 non-resident property and casualty insurance agency in Arizona
14 with license number 11921 which expired November 30, 1994.

15 2. Lagler is currently licensed as a non-resident
16 property and casualty insurance agent by the State of Arizona
17 with license number 281422 which expires October 31, 1996.

18 3. On April 2, 1993, the Director of the Oregon
19 Department of Insurance and Finance issued a notice of proposed
20 disciplinary action against Lagler. (In the Matter of Robert W.
21 Lagler, Oregon Department of Insurance and Finance Case No.
22 93-03-042.)

23 4. On April 2, 1993, the Director of the Oregon
24 Department of Insurance and Finance issued a notice of proposed
25 disciplinary against the license of KL&K. (In the Matter of KL&K
26 Agencies Inc. of Oregon, Oregon Department of Insurance and
27 Finance Case No. 93-03-042.)
28

1 5. On August 19, 1993, the Director of the Oregon
2 Department of Insurance and Finance adopted the the Findings of
3 Fact, Conclusions of Law and Order in the Stipulation and Final
4 Order in Case No. 93-03-042 involving Lagler. In that document
5 Lagler admitted violating O.R.S. §744.225(1) which provides that
6 "All Premium Funds received by an agent shall be accounted for
7 and maintained in a trust account separate from all other
8 business and personal funds," which is a violation of O.R.S.
9 §744.013(2)(c). Pursuant to O.R.S. §744.014(1), the Oregon
10 Department of Insurance and Finance placed Lagler's Oregon
11 insurance agent's license on probation for one year effective
12 August 19, 1993.

13 6. On August 19, 1993, the Director of the Oregon
14 Department of Insurance and Finance adopted the Findings of Fact,
15 Conclusions of Law and Order in the Stipulation and Final Order
16 in Case No. 93-03-042 involving KL&K. In that document KL&K
17 admitted violating O.R.S. §744.225(1) which is a violation of
18 O.R.S. §744.013(2)(c). Pursuant to O.R.S. §744.013(1)(a), the
19 Oregon Department of Insurance and Finance revoked KL&K's Oregon
20 insurance agent's license effective August 19, 1993.

21 CONCLUSIONS OF LAW

22 1. KL&K has a record of suspension or revocation of an
23 insurance license in any jurisdiction, in violation of A.R.S
24 §20-316(A)(5).

25 2. The evidence presented at the hearing leads to the
26 conclusion that the conduct resulting in the action taken against
27 Lagler in Case No. 93-03-042 has no relationship to the conduct
28 of Lagler under the Arizona insurance license that he holds. The

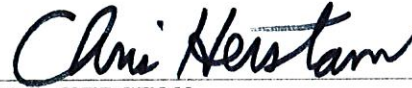
1 evidence presented does not support the allegations pled against
2 Mr. Lagler in the Notice of Hearing.

3 ORDER

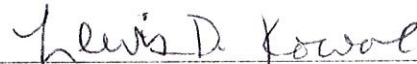
4 IT IS ORDERED that:

5 1. All insurance licenses issued to KL&K Agencies Inc.
6 of Oregon are revoked effective immediately.

7 EFFECTIVE this 2nd day of March, 1995.

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10 CHRIS HERSTAM
11 Director of Insurance

12 

13 LEWIS D. KOWAL
14 Administrative Law Judge

15 COPY of the foregoing mailed/delivered
16 this 2nd day of March, 1995 to:

17 Gay Ann Williams, Deputy Director
18 Charles R. Cohen, Executive Assistant Director
19 John Gagne, Acting Manager, Investigations
20 Ron Ward, Investigator
21 Maureen Catalioto, Supervisor, Licensing
22 Department of Insurance
23 2910 N. 44th Street, Suite 210
24 Phoenix, Arizona 85018

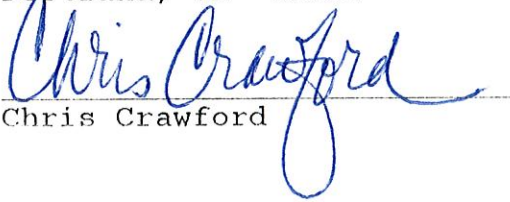
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