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BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
ARTHUR C. CARMICHAEL, JR. 1585 Grant Road Los Altos, CA 94024, and	:	Sections 611-A(20) and 678-A(a) of Act 147 of 2002 (40 P.S. §§ 310.11 and 310.78)
VALLEY GLOBAL INSURANCE BROKERS, LLC 84 South First Street San Jose, CA 95113	:	
Respondents.	:	Docket No. CO05-08-032

CONSENT ORDER

AND NOW, this 6th day of October, 2005, this Order is hereby issued by the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondents hereby admit and acknowledge that they have received proper notice of their rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. § 101. et seq., or other applicable law.

2. Respondents hereby waive all rights to a formal administrative hearing in this matter, and agree that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

FINDINGS OF FACT

3. The Deputy Insurance Commissioner finds true and correct each of the following Findings of Fact:

(a) Respondent is Arthur C. Carmichael, Jr. and maintains his address at 1585 Grant Road, Los Altos, California 94024.

(b) Respondent is also Valley Global Insurance Brokers, L.L.C., which maintains a business address at 84 South First Street, San Jose, California 95113.

(c) Respondent Carmichael became licensed has an non-resident individual producer No. 322445 on February 24, 2004 in the Commonwealth of Pennsylvania and that license expires on February 24, 2006.

(d) Respondent Valley Global became licensed has a non-resident producer agency No. 64379 on June 4, 2004 in the Commonwealth of Pennsylvania and that license expires on June 4, 2006.

(e) On October 26, 2004, the State of Illinois Division of Insurance issued an order in Hearing No. 04 HR 0417 denying the insurance producer license of Respondent Carmichael. The action was based on finding that Respondents used fraudulent, coercive, or dishonest practices, and demonstrated incompetence and untrustworthiness in the conduct of business, by providing an altered copy of the non-resident entity license to Allied Insurance Company.

(f) On March 10, 2005, the Iowa Insurance Commissioner issued an order, In The Matter of Arthur Commons Carmichael Jr., Iowa Insurance Producer # 268991, Order and Consent to Order – Division File No: 4880. Respondent Failure to Report Other State Action (IL) on Consent Order # 48803.

(g) On April 5, 2005, the Oklahoma Insurance Commissioner issued a Consent Order, In the Matter of Arthur Commons Carmichael Jr. and the Co-Respondent, Order and Consent to Order # 04-1679 for Demonstrated Lack of Fitness or Trustworthiness.

(h) At all time relevant, Respondent Carmichael was a non-resident individual producer and failed to notify the Department of administrative action taken against the licensee in another jurisdiction (Illinois) or by another governmental agency in this Commonwealth within 30 days of the final disposition of the matter.

(i) At all times relevant herein, Respondent Valley Global was a non-resident producer agency and failed to notify the Department of administrative action taken against it in another jurisdiction (Illinois) or by another governmental agency in this Commonwealth within 30 days of the final disposition of the matter.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Deputy Insurance Commissioner concludes and finds the following Conclusions of Law:

(a) Respondents are subject to the jurisdiction of the Pennsylvania Insurance Department.

(b) Section 611-A(20) of Act 147 of 2002 prohibits a licensee from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the department that the licensee is worthy of licensure (40 P.S. § 310.11).

(c) Respondents' activities described above in paragraphs 3(e) through 3(i) violate Section 611-A(20) of Act 147 of 2002.

(d) Section 678-A(a) of Act 147 of 2002 requires a licensee to report to the Department any administrative action against the licensee in another jurisdiction or by another governmental agency in this Commonwealth within 30 days of the final disposition of the matter. This report shall include a copy of the order, consent order or other relevant legal documents.

(e) Respondents' activities described above in paragraphs 3(e) and 3(i) violate Section 678-A(a) of Act 147 of 2002.

(f) Respondents' violations of Sections 611-A(20) and 678-A(a) of Act 147 of 2002 are punishable by the following, under Section 691-A of Act 147 of 2002 (40 P.S. § 310.91):

(i) suspension, revocation or refusal to issue the certificate of qualification or license;

(ii) imposition of a civil penalty not to exceed five thousand dollars ($5,000.00) for each violation of the Act;

(iii) an order to cease and desist; and

(iv) any other conditions as the Commissioner deems appropriate.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Deputy Insurance Commissioner orders and Respondents consent to the following:

(a) Respondents shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.

(b) Respondents' certificates and licenses may be immediately suspended by the Department following its investigation and determination that (i) any terms of this Order have not been complied with, or (ii) any complaint against Respondents are accurate and a statute or regulation has been violated. The Department's right to act under this section is limited to a period of three (3) years from the date of this Order.

(c) Respondents specifically waive their right to prior notice of said suspension, but will be entitled to a hearing upon written request received by the Department no later than thirty (30) days after the date the Department mailed to Respondents by certified mail, return receipt requested, notification of said suspension, which hearing shall be scheduled for a date within sixty (60) days of the Department's receipt of Respondents' written request.

(d) At the hearing referred to in paragraph 5(c) of this Order, Respondents shall have the burden of demonstrating that they are worthy of a license.

(e) In the event Respondents' certificates and licenses are suspended pursuant to paragraph 5(b) above, and Respondents either fail to request a hearing within thirty (30) days or at the hearing fail to demonstrate that they are worthy of a license, Respondents' suspended certificates and licenses shall be revoked.

6. In the event the Deputy Insurance Commissioner finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law; or, if applicable, the Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Deputy Commissioner finds that there has been a breach of any of the provisions of this Order, the Deputy Commissioner may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondents may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondents hereby expressly waive any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Deputy Insurance Commissioner. Only the Insurance Commissioner or the duly authorized Deputy Insurance Commissioner is authorized to bind the Insurance Department with respect to the settlement of the alleged violation of law contained herein, and this Consent

Order is not effective until executed by the Insurance Commissioner or the duly authorized Deputy Insurance Commissioner.

BY: ______________________
ARTHUR C. CARMICHAEL, JR.,
Respondent

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VALLEY GLOBAL INSURANCE
BROKERS, LLC, Respondent

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RANDOLPH L. ROHRBAUGH
Deputy Insurance Commissioner
Commonwealth of Pennsylvania