

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

RECEIVED
INSURANCE DEPARTMENT
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JULIA HEARNES OFFICE

In Re: Louis H. Aarons
2920 Linda Lane
Sinking Springs, PA 19608

:
: Violations:
:
: Sections 611-A(4), (6), (7), (15)
: (17) and (20) of Act 147 of 2002
: (40 P.S. §§310.11)

Docket No. CO05-03-014

CONSENT ORDER

AND NOW, this *31st* day of March 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. Respondent hereby admits and acknowledges that he has received proper notice of his rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. §101 et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees 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.

3. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

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

- (a) Respondent, Louis H. Aarons ("Respondent") is a Pennsylvania licensed producer, individual producer license number 324481, expiration date of March 1, 2006.
- (b) In October of 2003, Respondent received a check in the amount of \$25,000.00 from a client that was intended as premium for a fixed annuity to be issued by Transamerica.
- (c) Without the client's knowledge or consent, Respondent converted the funds for his personal use, altering the payee of the check, and depositing it into his personal account.
- (d) Upon criminal investigation, Respondent admitted that he diverted the premium and, ultimately, he repaid the \$25,000.

CONCLUSIONS OF LAW

5. 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) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) Respondent's activities, above, constitute violations of Pennsylvania Insurance laws, specifically:
 - (i) Improperly withholding, misappropriating or converting money or property received in the course of doing business 40 P.S. §310.11(4).
 - (ii) Admitting to or having been found to have committed an unfair insurance practice or fraud. 40 P.S. §310.11(6).
 - (iii) Using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this Commonwealth or elsewhere. 40 P.S. §310-11(7).
 - (iv) Committing a misdemeanor involving misuse or theft of money or property belonging to another person. 40 P.S. §310.11(15).
 - (v) Committing fraud, forgery, or dishonest acts or an act involving a breach of fiduciary duty. 40 P.S. §310.11(17).
 - (vi) Committing such acts that render him unworthy to remain licensed. 40 P.S. §310.11(20).

(c) Respondent's violations subject him to the following penalties under 40 P.S. §310.91:

- (1) Denial, suspension, refusal to renew or revocation of Respondent's license.
- (2) A civil penalty of up to \$5,000 per violation.
- (3) A cease and desist order.
- (4) Any other conditions as the Commissioner deems appropriate.

ORDER

6. In accord with the above Findings of Fact and Conclusions of Law, the Deputy Insurance Commissioner orders and Respondent consents to the following:

- (a) Respondent's insurance licenses are hereby surrendered for a period of two years as of the date of this order.
- (b) Should Respondent ever become licensed in the future, Respondent's license(s) may be immediately suspended by the Department following its investigation and determination that (a) a penalty payment has not been made, and/or (b) any other terms of this Order have not been complied with, and/or (c) any complaint against Respondent is accurate and a statute or regulation has been violated. The Department's right to act under (c) above is limited to a period of five (5) years from the date

of this Order.

- (c) Respondent specifically waives his 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 Respondent 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 Respondent's written request.
- (d) At the hearing referred to in paragraph 6(c) of this Order, Respondent shall have the burden of demonstrating that he is worthy of an insurance license.
- (e) In the event Respondent's license(s) are suspended pursuant to paragraph 6(c) above, and the Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that he is worthy of a license, Respondent's suspended license(s) shall be revoked.

7. 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, he may, in his discretion, pursue any and all legal remedies available to him, including but not limited to the following: The Deputy Insurance Commissioner may

enforce the provisions of this Order in the Commonwealth Court of Pennsylvania or in any other court of law or equity having jurisdiction; or the Deputy Insurance Commissioner may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. 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 provisions of law.

9. In any such enforcement proceeding, Respondent 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.

10. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

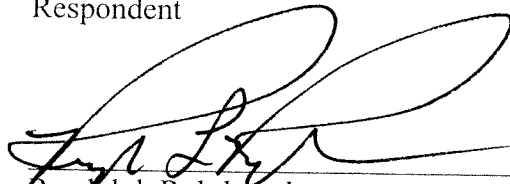
11. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all parties hereto.

12. This Order shall be final upon execution by the Deputy Insurance Commissioner. Only the Insurance Commissioner or her 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 her duly authorized Deputy Insurance Commissioner. The penalties, if any, imposed by this Order are not effective until execution by the Insurance Commissioner or her duly authorized Deputy Insurance Commissioner.



Louis H. Aarons
Respondent



Randolph Rohrbaugh
Deputy Insurance Commissioner
Commonwealth of Pennsylvania