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INSURANCE DEPARTMENT

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ADJUDICATIONS OFFICE

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:

KEITH E. SANCHEZ  
332 Via El Chico  
Redondo Beach, CA 90277

Respondent.

VIOLATIONS:

40 P.S. §§ 310.11(1), (2), (3), (8)  
(20), 310.78(a) and 310.78(b)

Docket No. CO18-08-006

CONSENT ORDER

AND NOW, this 14th day of November, 2018, this Order is hereby  
issued by the Insurance Department 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.

### FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following

#### Findings of Fact:

- (a) Respondent is Keith E. Sanchez, and maintains his address at 332 Via El Chico, Redondo Beach, CA 90277.
- (b) Respondent is, and at all times relevant hereto has been, a licensed non-resident producer.
- (c) Respondent pled nolo contendere to misdemeanor charges in the Superior Court of California, County of Los Angeles in November 1994, which as of September 5, 2018 have been expunged.
- (d) Respondent incorrectly answered "No" to the criminal history question on his initial May 18, 2001 license application by failing to disclose his 1994 DUI conviction.
- (e) Respondent was arrested on February 15, 2012, and charged with one (1) felony, four (4) misdemeanors and one (1) summary violation.
- (f) Respondent incorrectly answered "No" to the criminal history question on his April 5, 2012 license renewal application.
- (g) Respondent, in relation to the charges identified in paragraph 3(e), pled nolo contendere to misdemeanors in the Superior Court of California,

County of Los Angeles on June 5, 2012, which as of September 5, 2018 have been expunged.

- (h) Respondent failed to notify the Department of his criminal charges and subsequent nolo contendere plea within 30 days.
- (i) Respondent was issued an administrative action on October 22, 2015 by the New York Insurance Department and fined \$6,000 for failure to report his June 2012 conviction and failure to disclose the conviction on his license renewals.
- (j) Respondent failed to notify the Department of his New York administrative action within 30 days.
- (k) Respondent reported the New York administrative action to NIPR on January 28, 2016.
- (l) Respondent's unrestricted California license was revoked on December 22, 2017, for failing to report his prior criminal convictions referenced in paragraphs 3(c), 3(e) and 3(g), and for failing to report his New York administrative action referenced in paragraph 3(i). He was issued a restricted license, fined \$20,000 (\$10,000 suspended), and his license was suspended for seven (7) consecutive working days.
- (m) Respondent reported the California administrative action to NIPR on January 10, 2018.

### CONCLUSIONS OF LAW

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

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 40 P.S. § 310.11(1) prohibits a licensee or an applicant for a license from providing incorrect, misleading, incomplete or false information to the Department in a license application.
- (c) Respondent's activities described above in paragraphs 3(d) and 3(f) violate 40 P.S. § 310.11(1).
- (d) 40 P.S. § 310.11(2) prohibits a licensee or an applicant from violating the insurance laws or regulations of this Commonwealth or a subpoena or order of the commissioner or of another state's insurance commissioner.
- (e) Respondent's activities described above in paragraphs 3(c) through 3(m) violate 40 P.S. § 310.11(2).

- (f) 40 P.S. § 310.11(3) prohibits a licensee or an applicant from obtaining or attempting to obtain a license through misrepresentation or fraud.
- (g) Respondent's activities described above in paragraphs 3(d) and 3(f) violate 40 P.S. § 310.11(3).
- (h) 40 P.S. § 310.11(8) prohibits a licensee or an applicant from having a producer license or other financial services license denied, suspended or revoked by a governmental entity.
- (i) Respondent's activities described above in paragraph 3(l) violate 40 P.S. § 310.11(8).
- (j) 40 P.S. § 310.11(20) prohibits a licensee or an applicant from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure.
- (k) Respondent's activities described above in paragraphs 3(c) through 3(m) violate 40 P.S. § 310.11(20).
- (l) 40 P.S. § 310.78(a) requires a licensee to report any administrative action taken in another jurisdiction or by another governmental agency within

30 days of the final disposition, to include a copy of the order, consent order or other relevant legal documents.

- (m) Respondent's activities described above in paragraph 3(j) violate 40 P.S. § 310.78(a).
- (n) 40 P.S. § 310.78(b) requires that within 30 days of being charged with criminal conduct, a licensee shall report the charges to the Department. The licensee shall provide the Department with:
  - (1) a copy of the criminal complaint, information or indictment.
  - (2) a copy of the order resulting from any pretrial hearing.
  - (3) a report of the final disposition of the charges.
- (o) Respondent's activities described above in paragraph 3(h) violate 40 P.S. § 310.78(b).
- (p) Respondent's violations of §§ 310.11(1), (2), (3), (8), (20), 310.78(a) and 310.78(b) are punishable by the following, under 40 P.S. § 310.91:
  - (i) suspension, revocation or refusal to issue the license;
  - (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for every 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 Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) Respondent voluntarily surrenders all licenses to conduct the business of insurance within the Commonwealth of Pennsylvania as of the date of this Consent Order.
- (c) Respondent shall pay a civil penalty of Six Thousand Dollars (\$6,000.00) to the Commonwealth of Pennsylvania. Payment of this penalty shall be made by certified check or money order, payable to the Commonwealth of Pennsylvania. Payment should be directed to Bureau of Licensing and Enforcement, 1227 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment may be enclosed with the Consent Order, but must be paid in any event no later than fourteen (14) days after the date of the Consent Order.

- (d) If Respondent should ever become licensed in the future, his 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 Respondent is accurate and a statute or regulation has been violated. The Department's right to act under this section is limited to a period of five (5) years from the date of issuance of such licenses.
- (e) 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.
- (f) At the hearing referred to in paragraph 5(e) of this Order, Respondent shall have the burden of demonstrating that he is worthy of an insurance license.
- (g) In the event Respondent's licenses are suspended pursuant to paragraph 5(d) above, and 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 licenses shall be revoked.

6. In the event the Insurance Department 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 provisions 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 Insurance Department finds there has been a breach of any of the provisions of this Order, the Department 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.

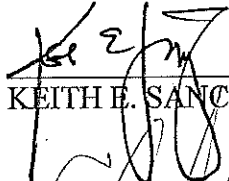
8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

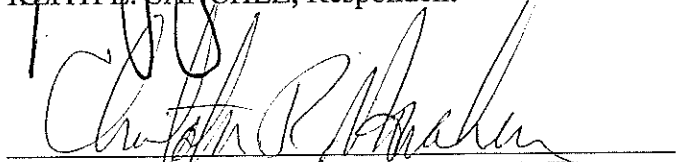
9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

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 Insurance Department. Only the Insurance Commissioner or a duly authorized delegate is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or duly authorized delegate.

BY:

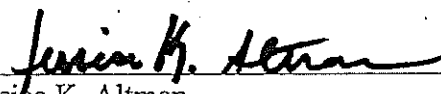
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KEITH E. SANCHEZ, Respondent

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COMMONWEALTH OF PENNSYLVANIA  
By: CHRISTOPHER R. MONAHAN  
Deputy Insurance Commissioner

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: The Act of April 9, 1929, P.L. 177, No. 175, known as The  
Administrative Code of 1929

AND NOW, this 28<sup>th</sup> day of March, 2018, Christopher R. Monahan,  
Deputy Insurance Commissioner, is hereby designated as the Commissioner's duly  
authorized representative for purposes of entering in and executing Consent Orders. This  
delegation of authority shall continue in effect until otherwise terminated by a later Order  
of the Insurance Commissioner.

  
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Jessica K. Altman  
Insurance Commissioner

