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BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
Stephen Joseph Puth 22250 Birmingham Place Santa Clarita, CA 91350	: : :	Sections 606-A and 611-A(2), (7), (17) and (20) of Act 147 of 2002 (40 P.S. §§ 310.6 and 310.11)
	:	
	: : :	Title 31, Pennsylvania Code, Sections 37.46(7) and 37.47
	:	
Respondent.	:	Docket No. SC04-12-021

CONSENT ORDER

AND NOW, this 4TH day of April, 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.

FINDINGS OF FACT

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

(a) Respondent, Stephen Joseph Puth, maintains his address at 22250 Birmingham Place, Santa Clarita, California 91350.

(b) Respondent holds an individual Pennsylvania non-resident insurance producer's license #285892.

(c) At all times relevant hereto, Respondent was a partner in an insurance agency known as Annuity Financial & Insurance Services (hereinafter, AF&IS).

(d) At all times relevant hereto, AF&IS was not, and had never been, licensed to transact the business of insurance in Pennsylvania.

(e) On or about October 27, 2003, Respondent became individually appointed with Penn Mutual Life Insurance Company.

(f) Thereafter, Respondent submitted to Penn Mutual a Single Premium Immediate Annuity Contract dated October 28, 2003, for Pennsylvania insured Ralph Saxman.

(g) The Saxman contract referenced above identified AF&IS as Saxman's representative, by and through Respondent as principal of the agency.

(h) Since AF&IS was not appointed with Penn Mutual, Penn Mutual representatives contacted Respondent and requested that he submit an application for AF&IS to become appointed.

(i) Thereafter, on or about November 10, 2003, Respondent submitted an "Independent Corporate Agent's Contract" (application), seeking to have AF&IS appointed with Penn Mutual.

(j) In connection with the application, and in order to secure the appointment of AF&IS, Respondent submitted, on separate occasions, two copies of a non-genuine Non-Resident Broker License, that Respondent altered to falsely indicate it had been issued to AF&IS by the Pennsylvania Insurance Department.

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) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.

(b) Section 606-A of Act 147 of 2002 (40 P.S. § 310.6) permits the Department to issue a license to those persons who have not committed any prohibited act, and who possess the general fitness, competence, and reliability sufficient to satisfy the Department that the individual is worthy of licensure.

(c) Section 611-A(2) of Act 147 of 2002 (40 P.S. § 310.11) prohibits a licensee from violating the insurance laws or regulations of this Commonwealth.

(d) Section 611-A(7) of Act 147 of 2002 (40 P.S. § 310.11) prohibits a licensee from using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this Commonwealth or elsewhere.

(e) Section 611-A(17) of Act 147 of 2002 (40 P.S. § 310.11) prohibits a licensee from committing fraud, forgery, dishonest acts or an act involving a breach of fiduciary duty.

(f) Section 611-A(20) of Act 147 of 2002 (40 P.S. § 310.11) 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.

(g) Respondent's violations of Sections 606-A and 611-A(2), (7), (17) and (20) 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.

(h) Title 31, Pennsylvania Code, Section 37.46(7) provides that the Department may deny an application for a certificate/license, upon finding that a person does not possess the professional competence and general fitness to engage in the business of insurance, or upon finding that a person has violated any

section of the Commonwealth insurance laws for which violation the Commissioner has the authority to revoke, suspend or refuse to renew a certificate of license in force.

(i) Title 31, Pennsylvania Code, Section 37.47 provides that the Department may, after a hearing, revoke or suspend a certificate of license upon finding an agent has engaged in conduct that would disqualify him from initial issuance of a license, including conduct provided in Section 37.46 of the Department's regulations.

(j) Respondent's activities described in the Findings of Fact above demonstrate his violation of the statutes and regulations cited herein, and reflect on his worthiness to transact the business of insurance in the Commonwealth.

ORDER

5. 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 shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.

(b) All licenses/certificates of Respondent to do insurance business are hereby revoked.

(c) If Respondent should ever become licensed in the future, his 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 Respondent is accurate and a statute or regulation has been violated. The Department's right to act under (ii) above is limited to a period of five (5) years from the date of issuance of such certificates and licenses.

(d) 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.

(e) At the hearing referred to in paragraph (d) of this Order, Respondent shall have the burden of demonstrating that he is worthy of an insurance certificate and license.

(f) In the event Respondent's certificates and licenses are suspended pursuant to paragraph 5(c) 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 certificate and license, Respondent's 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, 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 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: _____
Stephen Joseph Puth, Respondent

_____
Randolph L. Rohrbaugh
Deputy Insurance Commissioner
Commonwealth of Pennsylvania