

**BEFORE THE DEPARTMENT OF INSURANCE
OF THE STATE OF MISSISSIPPI**

**IN RE: ARRIC MARCELLOS ALLEN
 Administrative Proceeding No. 04-4829**

COPY

ADMINISTRATIVE ORDER

This matter came on for hearing on March 24, 2004 before the Commissioner of Insurance for the State of Mississippi (hereinafter the "Commissioner"), on the Notice of Hearing and Statement of Charges (Exhibit S-1) against Arric Marcellos Allen (hereinafter "Respondent"). Respondent after being duly and properly notified of said hearing in accordance with statutory requirements appeared at said hearing without counsel and provided testimony. Such hearing was held in the offices of the Mississippi Department of Insurance (hereinafter "Department"), 10th Floor, Woolfolk State Office Building, 501 North West Street, Jackson, Mississippi. The Commissioner, being fully advised in the premises, finds as follows:

FINDINGS OF FACT

I.

On or about January 20, 2004, Respondent filed an application to renew Respondents' license for the line of life, health and accident insurance, which is before the Commissioner for consideration. Exhibit S-2 is the Respondent's application for license renewal of privilege license number 9304528 for the line life, health and accident insurance.

II.

Respondent is currently licensed by the Commissioner, under privilege license number 9304528, to act as an insurance agent for the line of full line property and

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casualty insurance. Exhibit S-3 is the Respondent's application for license renewal of privilege license number 9304528 for the line of full line property and casualty insurance.

III.

Respondent indicated on his 2003 application for license renewal: full line property and casualty lines, that Respondent only received Two Thousand and Two Dollars (\$2002.00) in agency commissions from Mississippi business for the previous year, and therefore only paid Twenty-Five Dollars (\$25.00) in taxes for such license. Exhibit S-4 is a photocopy of the agent account summary for Arric Allen from the insurance company, National Security, for the time period including but not limited to January 1, 2002 through December 31, 2002. According to Exhibit S-4, the commissions payable to Arric Allen during this time period are in the amount of Fifteen Thousand One Hundred and Sixty-Four Dollars and Fourteen Cents (\$15,164.14). Respondent should have paid Fifty Dollars (\$50.00) in taxes for such license.

IV.

Respondent or a person in his employ or under his authority procured insurance on behalf of Linda Weaver with National Security Fire & Casualty Company for the period of April 7, 2003 to October 7, 2003. Exhibit S-5 is a photocopy of the application for the aforementioned insurance on behalf of Linda Weaver, signed by the Respondent as the Agent. Exhibit S-7 is a photocopy of the notice of cancellation letter for Linda Weaver's insurance policy # MS03040079 with National Security Fire & Casualty Company. Exhibit S-7 shows that the aforementioned insurance coverage for Linda

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Weaver was to be canceled effective September 20, 2003. Despite the cancellation of Linda Weaver's insurance the Respondent or a person in his employ or under his authority continued to collect premiums from Linda Weaver. According to Exhibit S-6, which is a photocopy of the Respondent's receipt books, the Respondent or a person in his employ or under his authority collected premiums from Linda Weaver on October 6, 2003 in the amount of Ninety Dollars and Sixty-Seven Cents (\$90.67) and on November 12, 2003 in the amount of Ninety Dollars and Sixty-Seven Cents (\$90.67).

V.

Respondent or a person in his employ or under his authority procured insurance on behalf of Mary Womack for the period of October 28, 2002 to April 28, 2003 with National Security Insurance Company. Exhibit S-8(A) is a photocopy of the application for the aforementioned insurance on behalf of Mary Womack, and is signed by the Respondent as the Agent. Exhibit S-8(B) is a photocopy of an invoice showing that the insurance for Linda Weaver with United Automobile Insurance Company, policy number # MSU000017944 had been renewed and the new effective date was April 28, 2003 and the expiration date was October 28, 2003. Exhibit S-9 is a photocopy of the cancellation letter for Linda Weaver's insurance policy # MSU000017944 with United Automobile Insurance Company. Exhibit S-9 shows that the aforementioned insurance coverage for Linda Weaver was canceled on August 26, 2003. Despite the cancellation of Linda Weaver's insurance the Respondent or a person in his employ or under his authority continued to collect premiums from Linda Weaver. According to Exhibit S-10 which is

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a photocopy of the receipts given to Linda Weaver upon payment to the Respondent's Insurance Agency, the Respondent or a person in his employ or under his authority continued to collect premiums on August 28, 2003 in the amount of Thirty-Six Dollars and Thirty-Two Cents (\$36.32), September 29, 2003 in the amount of Thirty-Six Dollars and Thirty-Two Cents (\$36.32), and November 3, 2003 in the amount of Thirty-Six Dollars and Thirty-Two Cents (\$36.32).

VI.

Respondent or a person in his employ or under his authority procured insurance on behalf of Tasha Hill for the period of April 4, 2003 to October 4, 2003 with National Security Fire & Casualty Company. Exhibit S-11 is a photocopy of the application for the aforementioned insurance on behalf of Tasha Hill, and is signed by the Respondent as the Agent. Exhibit S-12 is a photocopy of the notice of cancellation of Tasha Hill's insurance policy # MS03040057 with National Security Fire & Casualty Company. Exhibit S-13 is a photocopy of the cancellation letter of Tasha Hill's insurance policy #MS 030040057 with National Security Fire & Casualty Company. Exhibit S-13 shows that the aforementioned insurance coverage for Tasha Hill was canceled on July 19, 2003. Despite the cancellation of Tasha Hill's insurance the Respondent or a person in his employ or under his authority continued to collect premiums from Tasha Hill. According to Exhibit S-14, which is a photocopy of the Respondent's receipt books, the Respondent or a person in his employ or under his authority collected premiums from

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Tasha Hill on September 19, 2003 in the amount of Thirty-Seven Dollars and Twenty Cents (\$37.20).

VII.

Respondent engaged in the business of insurance through or on behalf of the following companies, Arric Allen Insurance Agency and/or Wilson & Allen Insurance L.L.C., which were acting as an insurance producer ("business entity") without a license, as shown in Exhibit S-5, S-8 and S-11.

VIII.

Exhibit D-1 is a letter signed by the Respondent and Willie Wilson which includes a list of persons to whom the Respondent and Willie Wilson "promise that each individual's person has been paid the amount of money beside there name" as a result of the Respondent and Willie Wilson's actions which resulted in the misappropriation, conversion or improper withholding of those person's money.

IX.

Exhibit D-2 is a letter/receipt signed by Mary Womack, which is not notarized, stating in pertinent part "... that Mary Womack has accepted \$72.64 from Wilson & Allen Insurance concerning my unapplied payments."

X.

Exhibit D-3 is a letter/receipt signed by Linda Weaver and Delores Weaver, which is not notarized, stating in pertinent part "... that Linda Weaver has accepted \$181.34 from Wilson & Allen Insurance concerning my unapplied payments."

XI.

Exhibit D-4 is a letter/receipt signed by Tasha Hill, which is not notarized, stating in pertinent part "... that Tasha Hill has accepted \$38.40 from Wilson & Allen Insurance concerning my unapplied payments."

XII.

Based on the substantial amount of evidence provided herein, the license of the Respondent to engage in the business of insurance as an insurance producer for the line Full Line Property and Casualty, privilege license number 9304528 should be revoked. In addition, the Respondent should provide proof to the satisfaction of the Commissioner that full restitution has been paid to all persons from whom the Respondent or any person in his employ or under his authority misappropriated, converted or otherwise improperly withheld money. These persons include but are not limited to the following: Shirley Crigler, Vera Little, Ethel Golden, Iona Hansbrough, Antwon Williams, Shirley Terry, Minnie Miller, Asia Johnson, Christine Robinson, Frederick Washington, Eddie Gibson, Michael Banks, Joyce Speight, Jessie Triplett, Linda Weaver, Mary Womack, Tasha Hill, Edwina Fowler, Aretha Walls, Harvey Crosbey, Lloyd Totten, James Reaves, Stacey Lindsey, Sellie Viser, L.W. Gatewood, and Steve Dezell.

In addition, the Respondent should be assessed an administrative fine in the amount of One Thousand Dollars (\$1000.00) payable to the Mississippi Department of Insurance and due immediately.

Furthermore, the license of the Respondent, privilege license number 9304528, to engage in the business of insurance as an insurance producer for the line Life, Health and Accident should be renewed upon an affirmative showing by the Respondent to the satisfaction of the Commissioner that the Respondent has complied with all provisions of the Mississippi Code, Administrative Orders of the Commissioner, and all other Department directives.

CONCLUSIONS OF LAW

XIII.

Respondent has violated the provisions of Miss. Code Ann. § 83-17-71 (1) (a) (Supp. 2003) by providing incorrect, misleading, incomplete or materially untrue information in the license application.

XIV.

Respondent has violated the provisions of Miss. Code Ann. § 83-17-71 (1) (c) (Supp. 2003) by obtaining a license through misrepresentation or fraud.

XV.

Respondent has violated the provisions of Miss. Code Ann. § 83-17-71 (1) (d) (Supp. 2003) by improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business in this state. Each violation of this provision should be considered a separate violation.

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XVI.

Respondent has violated the provisions of Miss. Code Ann. § 83-17-71 (1) (h) (Supp. 2003) by using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

XVII.

Respondent has violated the provisions of Miss. Code Ann. § 83-17-61 (2) (Supp. 2003) by engaging in the business of insurance through or on behalf of a business entity which was acting as an insurance producer without a license.

XVIII.

Respondent has violated the provisions of Miss. Code Ann. § 83-17-71 (1) (b) (Supp. 2003) by violating any insurance laws, or violating any regulation, subpoena or order of the Commissioner or of another's state Commissioner.

ORDER

IT IS THEREFORE ORDERED, that the charges previously stated herein against the Respondent, Arric Marcellos Allen, shall be and by the same are hereby sustained.

IT IS FURTHER ORDERED, that the license granted to the Respondent, Arric Marcellos Allen, by the Commissioner, under privilege license number 9304528, to act as an insurance agent for the line of full line property and casualty insurance, shall be **REVOKED** effective immediately.

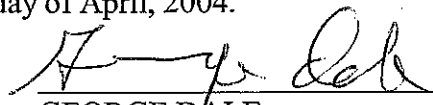
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IT IS FURTHER ORDERED, that the Respondent shall provide proof to the satisfaction of the Commissioner that full restitution has been paid to all persons from whom the Respondent or any person in his employ or under his authority misappropriated, converted or otherwise improperly withheld money. These person include but are not limited to the following: Shirley Crigler, Vera Little, Ethel Golden, Iona Hansbrough, Antwon Williams, Shirley Terry, Minnie Miller, Asia Johnson, Christine Robinson, Frederick Washington, Eddie Gibson, ^{Christine Speight} Michael Banks, Joyce Speight, Jessie Triplett, Linda Weaver, Mary Womack, Tasha Hill, Edwina Fowler, Aretha Walls, Harvey Crosbey, Lloyd Totten, James Reaves, Stacey Lindsey, Sellie Viser, L.W. Gatewood, and Steve Dezell.

IT IS FURTHER ORDERED, that the Respondent shall be assessed an administrative fine in the amount of One Thousand Dollars (\$1000.00), which shall be payable to the Mississippi Department of Insurance and due immediately.

IT IS FURTHER ORDERED, that the license of the Respondent, privilege license number 9304528, to engage in the business of insurance as an insurance producer for the line Life, Health and Accident shall be renewed upon an affirmative showing by the Respondent to the satisfaction of the Commissioner that the Respondent has complied with all provisions of the Mississippi Code, Administrative Orders of the Commissioner, and all other Department directives.

SO ORDERED, this the 12th day of April, 2004.



GEORGE DALE
COMMISSIONER OF INSURANCE
STATE OF MISSISSIPPI