

M. GALE LEMMON #4363
Assistant Attorney General
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State Office Building, Room 3110
Salt Lake City, UT 84114
Telephone (801) 538-3872

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:	:	MOTION AND
	:	ORDER TO SHOW CAUSE
	:	
UTAH INSURANCE DEPARTMENT	:	REVOCAION OF LICENSE
	:	
RESPONDENT:	:	
	:	
GARY L. KARNS, JR.	:	Docket No. <u>2009-163-LC</u>
3465 S. Arlington Rd., E #154	:	
Akron, OH 44312	:	Enf. Case No. <u>2521</u>
License No. 299293	:	
	:	

MOTION FOR ORDER TO SHOW CAUSE

Comes now, M. Gale Lemmon, attorney for Complainant, and hereby moves the commissioner for an Order to Show Cause why Respondent's Utah insurance agent's license should not be revoked for failure to obey an Order of the commissioner in the above-entitled matter. In support of its motion, Complainant shows as follows:

1. Complainant instituted an informal administrative proceeding against Respondent on December 15, 2009, and on December 16, 2009, mailed the Notice Of Informal Adjudicative Proceeding and Order to Respondent at the following address:

Gary L. Karns, Jr.
3465 South Arlington Rd.
E#154
Akron, OH 44312

a copy of which is attached hereto as Exhibit A.

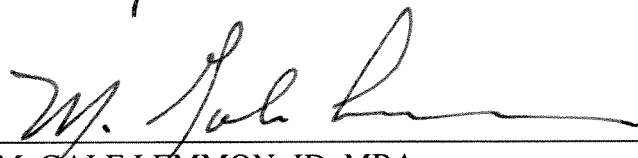
2. Respondent did not request a hearing and the Order became final on December 31, 2009, and is not subject to agency review or appeal.

3. Respondent failed to obey the Order of the commissioner in failing to pay an administrative forfeiture in the amount of \$250.00, and in failing to provide a substantive response to inquiries of the commissioner.

4. Pursuant to Utah Code Annotated § 31A-2-308, if a licensee fails to obey an order of the commissioner, he may assess forfeitures of up to \$5,000.00 per violation or may suspend or revoke Respondent's license.

5. Because Respondent failed to obey the Order previously made in this matter, the commissioner should now revoke Respondent's license and order Respondent to pay an additional administrative forfeiture in an amount to be designated by the commissioner for violation of that Order.

DATED this 25th day of February, 2010.



M. GALE LEMMON, JD, MBA
Assistant Attorney General

ORDER TO SHOW CAUSE

Having considered the motion of the Complainant, and good cause otherwise appearing:

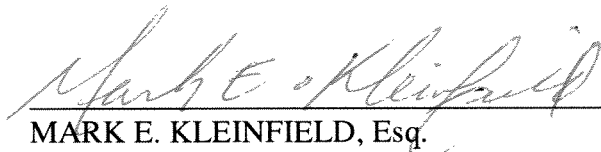
IT IS HEREBY ORDERED:

1. Respondent shall appear before the commissioner or his designated representative on Thursday, the 1st day of April, 2010, at the hour of 10:00 a.m. to show cause, if any there be, why Respondent's insurance agent's license should not be immediately revoked for failure to obey an Order of the commissioner and the imposition of additional forfeitures for violation of that Order.

2. Failure to appear shall result in your default being taken and the entry of an order revoking your license and assessment of additional forfeitures.

DATED this 1st day of March, 2010.

NEAL T. GOOCH
ACTING INSURANCE COMMISSIONER



MARK E. KLEINFELD, Esq.
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, UT 84114
Telephone (801) 538-3800

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this proceeding should call the Utah Insurance Department at (801) 538-3800 at least three working days prior to the proceeding.

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BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

GARY L. KARNS, Jr.
3465 SOUTH ARLINGTON RD
E#154
AKRON OHIO 44312

License No. 299293

**NOTICE OF INFORMAL
ADJUDICATIVE PROCEEDING
AND ORDER**

DOCKET No. 2009-163 LC

Enf. Case No. #2589

The Utah Insurance Department has commenced this informal adjudicative proceeding pursuant to Utah Code Annotated (U.C.A.) §§ 31A-2-101 and 63G-4-201 and Utah Administrative Code (U.A.C.) Rule R590-160. Based upon information contained in agency files or known to the Commissioner, the Commissioner makes the following:

FINDINGS OF FACT

1. Respondent is an agent authorized to do the business of insurance in the State of Utah holding License number 299293.
2. Respondent failed to properly respond to an inquiry of the Commissioner dated September 23, 2009.

Exhibit A

3. Thereafter, Respondent was required, by certified letter dated November 17, 2009, to provide a substantive response to the Commissioner's initial inquiry on or before November 27, 2009.

4. As of the date of this Notice of Informal Adjudicative Proceeding and Order, no response has been received and the time for response and any extensions granted has expired.

Having entered his Findings of Fact, the Commissioner now enters his:

CONCLUSION OF LAW

1. In failing to submit a timely response to an inquiry from the Commissioner, the Respondent violated U.C.A. Subsection 31A-2-202(4).

Based upon the foregoing Findings of Fact and Conclusions of Law, the Commissioner now enters the following:

ORDER

IT IS HEREBY ORDERED:

1. Respondent shall pay an administrative forfeiture in the amount of \$250.00. Said forfeiture shall be paid no later than ten (10) days after the date this Order becomes final.

2. Respondent shall provide a substantive response to the Commissioner's inquiries to be received in the offices of the Utah Insurance Department no later than ten (10) days after the date this Order becomes final.

3. This Order shall become final fifteen (15) days after the date of mailing unless a written request for a hearing is received from the Respondent in the offices of the department prior to that date. A written request for a hearing shall be signed by the person making the

request and shall state the basis for the relief requested.

NOTIFICATION

If you request a hearing regarding this matter, the department will be represented by M. Gale Lemmon, Assistant Attorney General, State Office Building, Room 3110, Salt Lake City, Utah 84114, Telephone Number (801) 538-3872. Failure to request a hearing will be considered a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

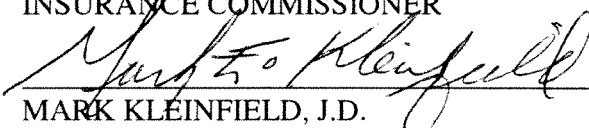
You are further notified that a failure to obey an Order of the commissioner may subject you to further penalties, including forfeitures of up to \$2,500.00 per violation and the suspension or revocation of your license and the filing of an action to enforce this Order in District Court which may impose forfeitures of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

Questions regarding this Adjudicative Proceeding should be directed to Sandra Halladay, at the Utah Insurance Department (801) 537-9162.

DATED THIS 15th day of December, 2009.

D. KENT MICHIE
INSURANCE COMMISSIONER


MARK KLEINFELD, J.D.
ADMINISTRATIVE LAW JUDGE
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone (801) 538-3800