

2. Respondent is to pay a civil penalty in the amount of Five Thousand Dollars (\$5000.00) within ninety (90) days.

ALL OF WHICH IS ORDERED by the Commissioner this 11th day of September, 2015.

A handwritten signature in black ink, appearing to read "Stephen W. Robertson", written over a horizontal line.

Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Copies to:

Freddy Argotte
210 Ulen Overlook
Lebanon, IN 46052

Joshua Harrison
Indiana Department of Insurance
Enforcement Division
311 West Washington Street, Suite 103
Indianapolis, IN 46204-2787

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO.: 13164-AG15-0305-078

IN THE MATTER OF:)
)
Freddy Argotte)
Respondent)
)
210 Ulen Overlook)
Lebanon, IN 46052)
)
License Number: 441833)
)
Type of Action: Enforcement)

FILED

JUL 20 2015

STATE OF INDIANA
DEPT. OF INSURANCE

DEFAULT ORDER

Pursuant to Indiana Code § 4-21.5-3-24 and Ind. Code § 4-21.5-3-27, the Administrative Law Judge in this matter issues the following Default Order:

Findings of Fact

1. Freddy Argotte (“Respondent”) is a resident insurance producer holding license number 441833.
2. On April 23, 2015, the Enforcement Division of the Indiana Department of Insurance (the “Department”) filed its Statement of Charges against Respondent.
3. A hearing on the allegations asserted in the Statement of Charges was set for May 14, 2015 at 1:00 P.M.
4. Respondent notified the Department that he was out of the state tending to medical concerns of Respondent’s parents and that he would be unable to attend the May 14, 2015 hearing.
5. The ALJ continued the matter until June 30, 2015. Notice was sent via mail, email, and phone.

6. Respondent failed to appear or participate in that June 30, 2015 hearing.
7. On June 30, 2015, this Court issued a Proposed Default Order.
8. The Proposed Default Order was sent to the address of record via certified mail number 917190 0005 2720 0046 3231..
9. Respondent has failed to file a written motion responding to the Proposed Default Order.
10. On June 30, 2015, pursuant to Ind. Code § 4-21.5-3-24(b), the administrative law judge conducted the proceeding without the participation of the Respondent.
11. At that time, the Department admitted the following exhibits in support of its Statement of Charges:
 - a. Email correspondence from Investigators for Progressive Insurance to the Indiana Department of Insurance outlining Progressive's investigation of Respondent and findings (Exhibit 1);
 - b. Letter of termination from Progressive Insurance to Respondent (Exhibit 2)
 - c. Indiana Department of Revenue report indicating Respondent's outstanding tax liability (Exhibit 3)
12. The Respondent had placed fraudulent email addresses on policy applications in order that the policy would qualify for discounts. (Transcript p 14 and 15)
13. The Respondent changed mailing addresses on policies without the consent of the insureds. (Transcript p 16)
14. The Respondent converted the policy held with one insurer to a different insurer without the knowledge of the insured. (Transcript p 16)
15. The Respondent added drivers and cars to policies and subsequently removed those without the consent of the insured (Transcript p 16)

16. The Respondent also had an outstanding tax liability of six thousand two hundred forty-two dollars and two cents (\$6,242.02). (Transcript p 19)

Conclusions of Law

1. The Commissioner has jurisdiction over both the subject matter and the parties to this action.
2. This hearing was held in compliance with the Indiana Administrative Orders and Procedures Act, codified at Ind. Code § 4-21.5 *et seq.*
3. Pursuant to Ind. Code § 4-21.5-324(a)(3), if a party fails to attend or participate in a hearing, the administrative law judge may serve upon all parties written notice of a proposed default order.
4. Respondent failed to attend or participate in the June 30, 2015 hearing and such a Proposed Default Order was served upon all parties.
5. Pursuant to Ind. Code § 4-21.5-3-24(d), after issuing a default order, the administrative law judge shall conduct any further proceedings necessary to complete the proceeding without the participation of the party in default.
6. Regardless of whether the administrative law judge is the ultimate authority, the order disposing of the proceeding must comply with Ind. Code § 4-21.5-3-27(a).
7. Pursuant to Ind. Code § 27-1-15.6-12(b)(5), the Commissioner may revoke a producer's license and/or impose a civil penalty against the producer for intentionally misrepresenting the terms of an actual policy or proposed insurance contract or application for insurance.
8. Additionally, pursuant to Ind. Code § 27-1-15.6-12(b)(8), the Commissioner may revoke a producer's license and/or impose a civil penalty against a producer for using fraudulent or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business of insurance.

9. Pursuant to Ind. Code § 27-1-15.6-12(b)(14), the Commissioner may revoke a producer's license and/or impose a civil penalty against a producer for failing to pay state income tax.
10. Pursuant to Ind. Code § 27-1-15.6-12(f), in addition to any denial, suspension, or revocation of a license, the Commissioner can enter a civil penalty no less than fifty dollars (\$50.00) and not more than ten thousand dollars (\$10,000.00) for a violation of Ind. Code § 27-1-15.6-12(b).
11. Findings of Fact than can be adopted as Conclusions of Law are hereby incorporated herein as such.

Recommended Order

Having found Respondent to be in default, and based on the above Findings of Fact and the Conclusions of Law, Administrative Law Judge Reuben B. Hill now recommends to the Commissioner the following:

1. The permanent revocation of Respondent's license; and
2. The imposition of a civil penalty against Respondent in the amount of Five Thousand Dollars and no/100 (\$5000.00), due within ninety (90) days of the Final Order.

ALL OF WHICH IS ADQPTED by the Administrative Law Judge and recommended to the Commissioner this 20th day of July, 2015.



Reuben B. Hill,
Administrative Law Judge

This Notice has been sent to:

Freddy Argotte
210 Ulen Overlook
Lebanon, IN 46052

Joshua D Harrison
Indiana Department of Insurance
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO.: 13164-AG15-0305-078

IN THE MATTER OF:)

Freddy Argotte)
Respondent)

210 Ulen Overlook)
Lebanon, IN 46052)

License Number: 441833)

Type of Action: Enforcement)

FILED

JUN 30 2015

STATE OF INDIANA
DEPT. OF INSURANCE

PROPOSED DEFAULT ORDER

Pursuant to Indiana Code § 4-21.5-3-24, the Administrative Law Judge in this matter issues the following Proposed Default Order and the following statement of the grounds in support thereof:

1. Freddy Argotte (the "Respondent") is a resident insurance producer, holding license number 441833.

2. On April 23, 2015, the Enforcement Division of the Indiana Department of Insurance (the "Department") filed its Statement of Charges against Respondent. The Department's Statement of Charges alleges that Respondent used fraudulent and dishonest practices in the business of insurance and is also delinquent on his Indiana income tax.

3. The Department asserts that this is a violation of the Indiana insurance producer statute under Indiana Code 27-1-15.6-12.

4. The Department complied with the notice requirements set forth in Indiana

Code 4-21.5-3 *et seq.* and a hearing on the abovementioned issues in the Statement of Charges was set for May 14, 2015.

5. Respondent contacted the Department on May 8, 2015 to request a continuance of the hearing due to being out of state tending to Respondent's parents in Florida. At that time, Respondent indicated he was unaware when he would be returning to the state.

6. The ALJ granted the continuance and reset the matter until June 30, 2015.

7. Notice was sent to Respondent as well as phone and email contact reminding him of the date. On June 25, 2015, the Respondent again stated that he was still out of the country and would not be in attendance for the reset hearing date.

8. Respondent failed to appear or participate in the June 30, 2015 hearing.

9. Pursuant to Indiana Code 4-21.5-3-24(a)(3), if a party fails to attend or participate in a hearing, the administrative law judge may serve upon all parties written notice of a proposed default order. This Proposed Default Order is notice of such an order.

10. Indiana Code 4-21.5-3-24(c) states that if a party fails to file a written response, the administrative law judge shall issue the default order. Pursuant to Indiana Code 4-21.5-3-24(d), the administrative law judge shall conduct any further proceedings necessary to complete the proceeding without the participation of the other party.

WHEREFORE, the Administrative Law Judge in this matter hereby gives notice that, if Respondent fails to file a written motion under 4-21.5-3-24(b), a Default Order shall be issued with recommendations that the Commissioner take the following actions:

1. Permanently revoke Respondent's license; and
2. Impose against Respondent a civil penalty in the amount of Five Thousand dollars (\$5000.00).

ALL OF WHICH IS ORDERED this 30th day of June, 2015.

Dated: 6-30-15



Reuben B. Hill,
Administrative Law Judge
Indiana Department of Insurance

This Notice has been sent to:

Freddy Argotte
210 Ulen Overlook
Lebanon, IN 46052

Joshua D Harrison
Indiana Department of Insurance
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204

CERTIFIED MAIL #:
RETURN RECEIPT REQUESTED

4. The investigation showed that Respondent submitted policy applications that contained false information which included Respondent's personal email address in order that the policy would qualify for a policy discount.
5. The investigation also showed that Respondent intentionally changed mailing addresses on policies to an invalid street address or an address owned by Respondent or Respondent's family members.
6. The investigation further showed that Respondent added and deleted drivers and vehicles on policies without the knowledge of the policyholder.
7. Additionally, the investigation revealed that Respondent converted a policy held with Allstate Insurance Company to a Progressive policy without the knowledge of the policyholder.
8. The Department was able to uncover that Respondent owes Indiana income tax in an amount greater than six thousand dollars (\$6,000.00) for tax years 2011 to present.
9. The Department was able to confirm via the Indiana Department of Revenue that Respondent does not presently have a payment plan established for the past due income taxes.
10. Indiana Code § 27-1-15.6-12(b) states that the Commissioner may levy a civil penalty, suspend, and/or revoke an insurance producer's license for a list of causes.
11. Indiana Code § 27-1-15.6-12(b)(5) states that one of the causes for the Commissioner to take action against an insurance producer includes intentionally misrepresenting the terms of an actual policy or proposed insurance contract or application for insurance.
12. Indiana Code § 27-1-15.6-12(b)(8) includes using fraudulent or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business as grounds for the Commissioner to take administrative action.

13. Indiana Code § 27-1-15.6-12(b)(14) further states that failing to pay state income tax is also a cause for the Commissioner to action.

14. Indiana Code § 27-1-15.6-12(f) states that in addition to any denial, suspension, or revocation of license, the Commissioner can enter a civil penalty no less than fifty dollars (\$50.00) and not more than ten thousand dollars (\$10,000.00) for a violation of Indiana Code § 27-1-15.6-12(b).

CHARGES

COUNT I

15. Respondent misrepresented the terms of an insurance policy by using false email addresses to obtain discounts.

16. Respondent's conduct is in violation of Indiana Code § 27-1-15.6-12(b)(5).

COUNT II

17. Respondent used fraudulent and dishonest practices by intentionally changing policyholder information without the knowledge of the policyholder.

18. Respondent's conduct is in violation of Indiana Code § 27-1-15.6-12(b)(8).

COUNT III

19. Respondent used fraudulent and dishonest practices by converting the insurer of a policy without the knowledge of the policyholder.

20. Respondent's conduct is in violation of Indiana Code § 27-1-15.6-12(b)(8).

COUNT IV

21. Respondent owes delinquent Indiana income tax without a payment agreement in place.

22. Respondent's conduct is in violation of Indiana Code § 27-1-15.6-12(b)(14).

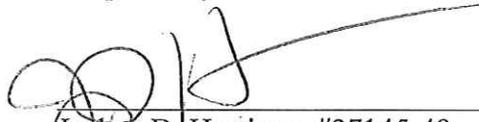
WHEREFORE, the Enforcement Division of the Indiana Department of Insurance, by counsel, Joshua D. Harrison, requests that the Commissioner issue an order that states:

(1) Respondent's non-resident producer's license is permanently revoked;

(2) Respondent shall pay a civil penalty in the amount of five thousand dollars (\$5,000.00);

and all other relief necessary and proper upon the premise.

Respectfully submitted,

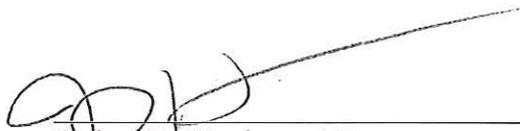


Joshua D. Harrison, #27145-49
Attorney, Enforcement Division

Indiana Department of Insurance
311 West Washington Street, Suite 103
Indianapolis, IN 46204-2787
Phone: (317) 232-2422
Facsimile: (317) 234-2103

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing has been served upon the following Respondent by United States first class mail, postage prepaid, this 23 day of April, 2015.



Joshua D. Harrison, Attorney

Freddy Argotte
210 Ulen Overlook
Lebanon, IN 46052