

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
MICHAEL SHANE SANGALLI

A.I.D. NO. 2009-060

ORDER

On June 8, 2009, a hearing was held at the Arkansas Insurance Department ("Department") regarding the producer application of Michael Shane Sangalli ("Respondent") in accordance with the provisions of the Arkansas Administrative Procedures Act and pertinent provisions of the Arkansas Insurance Code. Jay Morgan, Deputy Insurance Commissioner and General Counsel, acted as the Hearing Officer pursuant to his designation as such by Jay Bradford, Insurance Commissioner, pursuant to Ark. Code Ann. § 23-61-103(e), § 23-61-104(a) and the Administrative Procedure Act, Ark. Code Ann. §§ 25-15-201, *et seq.* The Department was represented by Zane A. Chrisman, Associate Counsel. Respondent represented himself. Based on the facts and law, the Hearing Officer finds as follows:

1. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. §23-61-103.
2. On or about April 17, 2009, Respondent applied for an Arkansas insurance agent's license. Respondent indicated that he did not have any convictions of a crime, which included misdemeanors.

3. Pursuant to the licensing division procedures, the Department sought a criminal history report from the Arkansas State Police. The report showed that Respondent had been convicted of 2 counts of hot check for personal services. One of the counts showed that it was a felony conviction. The other count was a misdemeanor conviction.

4. The Department notified Respondent on April 21, 2009, of the information contained within the report and requested additional information describing the reason for the convictions, why the convictions were not disclosed, as well as any additional documents pertaining to the conviction.

5. On April 22, 2009, Respondent sent in an explanation as to why the convictions were not noted within his application, but did not provide any of the other requested information.

6. On April 24, 2009, and based upon the above, the Department declined Respondent's application. Respondent requested a hearing.

7. During the investigation, the Department determined that both of the charges found within the report had been reduced from felony to misdemeanor status. It was also determined that Respondent had not completed his probation until March, 2008. Finally, documents indicated that Respondent had failed to appear or otherwise meet the requirements of his sentence approximately four times during the pendency of his probation, which led to warrants being issued for his arrest.

8. At the hearing, Respondent admitted that he did not include information about the convictions or supplement any documentation related to

the cause of the convictions. Additionally, Respondent testified that the convictions arose from a misguided part of his youth that he was seeking to rectify at this time. He stated that he had misread the application, which led to his failure to note the convictions on the application.

Therefore, the Hearing Officer concludes as follows:

9. The Hearing Officer has the authority to render a decision in this matter pursuant to the Administrative Procedure Act, Ark. Code Ann. §§ 25-15-201, *et seq.* and the delegation of authority from the Commissioner.

10. The testimony and supporting documentation entered into evidence at the hearing is sufficient to make a finding that the Respondent does not currently exhibit the requirements of Ark. Code Ann. § 23-64-512(a)(8), which requires that a person must be deemed by the commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation. Additionally, Respondent has provided incorrect, misleading, incomplete and materially untrue information in the license application in further violation of Ark. Code Ann. § 23-64-512(a)(1).

RECOMMENDATION OF HEARING OFFICER

Upon consideration of the evidence of record, the Hearing Officer recommends that the foregoing Findings and Conclusions of Law be approved and adopted and that the denial of the application for license of the Respondent be hereby affirmed.

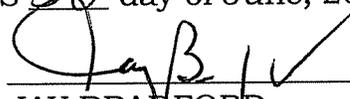


JAY MORGAN
DEPUTY COMMISSIONER, GENERAL COUNSEL
AND HEARING OFFICER

CERTIFICATION

I, Jay Bradford, Insurance Commissioner for the State of Arkansas, do hereby certify that the above and foregoing matter was conducted by Jay Morgan, Deputy Commissioner, General Counsel and Hearing Officer, by and under my supervision; I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law and Recommendation in full, as set forth herein.

IT IS SO ORDERED THIS 30th day of June, 2009.



JAY BRADFORD
ARKANSAS INSURANCE COMMISSIONER