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Department of Insurance
State of Idaho

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of the)	
Application for Resident)	Docket No. 18-2644-10
Producer License and)	
Application for Waiver)	HEARING OFFICER'S FINDINGS
Pursuant to 18 U.S.C. §1033(e))	OF FACT, CONCLUSIONS OF LAW
(2) of:)	AND PRELIMINARY ORDER
)	
DAVID ALFONSO LEON,)	
)	
Applicant.)	
_____)	

This matter came on for an evidentiary hearing on November 3, 2010, at 1:00 p.m. Thomas Donovan, Deputy Attorney General, appeared on behalf of the Department of Insurance. David Alfonso Leon, appeared in person representing himself.

FINDINGS OF FACT

1. On August 31, 2010, the Department of Insurance received an Application for Written Consent to Engage in the Business of Insurance submitted by Mr. Leon. Pursuant to Federal Law 18 USC §1033, individuals who have been convicted of a felony involving dishonesty or breach of trust must have the consent of the State Department of Insurance before they can engage in the business of

insurance. In his application for a waiver pursuant to 18 USC §1033(e)(2), on Page 6, ¶2, Mr. Leon disclosed that in 1978 he had been arrested for a DUI in Long Beach, California. On Page 7, he disclosed that he was charged with inappropriately touching [REDACTED] [REDACTED] in Twin Falls, Idaho. He was sentenced to a 180 day rider to Cottonwood and put on probation. He was released from probation in 2001. The application instructs the applicant to answer every question.

2. Attached to that application is a detailed explanation of what efforts Mr. Leon has taken to rehabilitate himself including extensive sex offender therapy and counseling. The waiver application also included various recommendation letters from several individuals. Detailed copies of the two disclosed criminal pleadings were also attached.

3. On September 21, 2010, David A. Leon also submitted an Application for Resident Producer License to the Department of Insurance. (Exhibit 2.) The first question on page 3 of the background portion of the application specifically asked: "Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?" The question is further clarified by the statement: "Crime" includes a misdemeanor, felony or a military offense. . . . 'Convicted' includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, or having been given probation, a

suspended sentence or a fine." In answer to that question, Mr. Leon answered "yes". If the question is answered yes, the applicant must attach a written statement explaining the circumstances of each incident; a copy of the charging document; and a copy of the official document demonstrating the resolution of the charges or any final judgment. He disclosed the 1978 DUI and the 1990 lewd conduct with a minor charge.

4. While investigating Mr. Leon's application, the Department of Insurance discovered he had also been subject to convictions in two other criminal proceedings, including possession of a controlled substance in Twin Falls on August 11, 1988 and a judgment of conviction for petty theft on December 29, 1988. Upon request, Mr. Leon provided the Department with pleadings from those two additional criminal cases.

5. By letter dated October 1, 2010, Gina McBride, the Bureau Chief of Consumer Services, for the Department of Insurance sent Mr. Leon a letter denying Mr. Leon's application for an individual insurance producer license and denying his request for waiver pursuant to 18 USC §1033. The letter indicates that Mr. Leon had failed to disclose the 1988 misdemeanor petit theft and 1988 misdemeanor conviction of possession of a controlled substance in both applications. The Department advised Mr. Leon they were denying his application based upon Idaho Code §41-1016(1)(a) which allows the Department to deny an application when an applicant provides incorrect, misleading, incomplete or materially untrue

information in the license application.

6. Pursuant to Idaho Code §41-232A, Mr. Leon requested a hearing in an email received by the Department on October 6, 2010. He alleges he did not intentionally supply false information and did not intend or try to hide anything in his past. He testified that when he was filling out the application, he went to the court clerk's office and they only provided him with information on the two convictions he disclosed. He claims he forgot about the other two. Mr. Leon also presented the testimony of May Yoshika and Susie Leon who testified to his rehabilitation. Their statements were already part of and considered by the Department prior to their denial letter.

7. The evidence establishes Mr. Leon did provide incorrect, misleading, incomplete and materially untrue information in his license applications by failing to disclose two 1988 convictions. As noted by Ms. McBride, it is hard to believe that Mr. Leon forgot those two 1988 convictions since he received jail time on both.

CONCLUSIONS OF LAW

8. Pursuant to Idaho Code §41-1016(1)(a), the Department of Insurance has the authority and grounds to deny Mr. Leon's application for an Idaho Individual Insurance Producer License and his request for 18 USC §1033(e)(2) waiver.

PRELIMINARY ORDER

Based upon the foregoing, IT IS HEREBY ORDERED That the denial of the application and waiver request of Mr. Leon by the Department of Insurance for an Individual Insurance Producer License is UPHELD and AFFIRMED.

DATED This 10 day of November, 2010.

JEAN R. URANGA

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Hearing Officer

CERTIFICATE OF MAILING

I HEREBY CERTIFY That on this 10 day of November, 2010, I served true and correct copies of the foregoing HEARING OFFICER'S FINDINGS OF FACT, CONCLUSIONS OF LAW AND PRELIMINARY ORDER by depositing copies thereof in the United States mail, postage prepaid, in envelopes addressed to:

David Alfonso Leon
1621 Bitterroot Drive
Twin Falls, Idaho 83301
**(Regular mail and certified mail
return receipt requested)**

Thomas A. Donovan
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