

LAWRENCE G. WASDEN
Attorney General

JOHN C. KEENAN – I.S.B. #3873
Deputy Attorney General
State of Idaho
Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043
Telephone: (208) 334-4283
Facsimile: (208) 334-4298
john.keenan@doi.idaho.gov

Attorneys for Department of Insurance


FILED

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Department of Insurance
State of Idaho

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF
INSURANCE,

Complainant,

vs.

DASCH, INC., a California corporation, doing
business under the assumed name, PEGASUS
GROUP, doing business in Idaho as
CENTRAL SELF STORAGE;

Respondents.

Docket No. 18-2919-14

ORDER TO CEASE AND DESIST

The State of Idaho, Department of Insurance (Department), hereby alleges the following facts that constitute a basis for the issuance of an order, pursuant to Idaho Code § 41-213(1)(a), requiring DASCH, INC., a California corporation, doing business as the PEGASUS GROUP, on file in Contra Costa County, California, and doing business in Idaho as CENTRAL SELF STORAGE in the cities of Boise, Caldwell, Meridian, and Star, Idaho, to immediately cease and desist from violating title 41, Idaho Code.

RESPONDENTS

1. Respondent Pegasus Group is an assumed business name of Dasch, Inc., a California corporation. Pegasus Group is a real estate investment firm doing business in Idaho as Central Self Storage with self-storage property locations in Boise, Caldwell, Meridian, and Star, Idaho. The Respondents are collectively referred to herein as Pegasus.

FINDINGS OF FACT

2. Pegasus, under any of its business names identified hereinabove, is not currently, nor in the past has it been, licensed by the Department as an insurance producer.

3. On or about May 27, 2011, Pegasus entered into a Stored Property Insurance agreement with Bader Company, a non-resident producer holding Idaho Non-resident Producer License No.108568. Under said agreement, Pegasus, at its self-storage facilities located in Idaho, offers to its self-storage tenants the opportunity to purchase insurance for coverage of stored personal property.

4. After the sale of said coverage, Bader Company issues a Certificate of Property Insurance and Summary of Coverage listing the tenant as the certificate holder.

5. Said agreement provides that twenty-five percent (25%) of the collected premium for a given month will be paid to the Pegasus self-storage facility by the 15th of the following month.

6. In accordance with said agreement, once per month, each Pegasus self-storage facility reports and remits all premiums collected to Bader Company directly.

7. Pegasus pays its individual employees a bonus of ten percent (10%) of all premium collected for insurance coverage at its self-storage facilities.

8. Bader Company provides to the employees of Pegasus' Idaho-based self-storage facilities training on insurance sales techniques including methods for offering coverage, form processing, coverage limits and premium amounts, policy provisions, exclusions, and premium collection and remittance procedures.

CONCLUSIONS OF LAW AND VIOLATIONS

9. The allegations set forth in Paragraphs 1 through 8 above are fully incorporated herein by this reference.

10. Idaho Code § 41-112 provides that "transacting insurance" includes, among other acts, solicitation or inducement, preliminary negotiations, and effectuation of a contract of insurance.

11. Idaho Code § 41-1004(1) provides that a person shall not sell, solicit or negotiate insurance in Idaho unless that person is licensed as a producer for that line of authority in accordance with title 41, chapter 10, Idaho Code.

12. Idaho Code § 41-1017(2) provides that a person shall not accept a commission, service fee or other valuable consideration for selling, soliciting or negotiating insurance unless that person is duly licensed in accord with Idaho law.

13. The Respondents' transaction of insurance by soliciting the sale of tenant property insurance coverage constitutes a violation of Idaho Code § 41-1004(1).

14. The Respondents' acceptance of a commission, service fee or other valuable consideration on the basis of premium paid for the selling, soliciting or negotiation of insurance while not being duly licensed as required by law is a violation of Idaho Code § 41-1017(2).

15. Idaho Code § 41-117A authorizes the Director of the Idaho Department of Insurance (Director) to impose an administrative penalty not to exceed fifteen thousand dollars (\$15,000) upon any person who transacts insurance without proper licensing.

16. Idaho Code § 41-213(1)(a) provides that, if the Director believes any person has engaged in or is about to engage in any act or practice which violates title 41, Idaho Code, the Director may issue an order requiring the person to cease and desist from any prohibited act or practice.

17. Idaho Code § 67-5247 provides that an agency may act through an emergency proceeding in a situation involving an immediate danger to the public health, safety, or welfare requiring immediate agency action.

ORDER

The Director, having reviewed the foregoing, finding good cause and that the entry of this Order is required for the protection of the public,

NOW, THEREFORE, the Director **HEREBY FINDS** that the Respondents have violated title 41, Idaho Code, by transacting insurance in Idaho without the required licensure.

FURTHER, the Director **FINDS** that the Respondents have violated title 41, Idaho Code, by accepting a commission, service fee, or other valuable consideration for selling, soliciting or negotiating insurance without being duly licensed as required by Idaho law.

Based on the foregoing, and pursuant to Idaho Code §§ 41-213(1)(a) and 67-5247, **IT IS HEREBY ORDERED** that Respondents immediately **CEASE AND DESIST** from the transaction of insurance in Idaho as defined in Idaho Code § 41-112, including, but not limited to, solicitation of insurance business, accepting a commission, service fee, or other valuable consideration, and from any other conduct constituting a violation of title 41, Idaho Code.

NOTICE

Respondents are HEREBY NOTIFIED that the foregoing ORDER TO CEASE AND DESIST is a final order of the Director, subject to the Respondents' right to timely file a motion for reconsideration of such final order or request for a hearing as to such order, pursuant to Idaho Code § 67-5246(4). Such motion for reconsideration or request for a hearing must be in writing and be submitted to the Director within fourteen (14) days after the service of this Order, at the following address:

William W. Deal, Director
Idaho Department of Insurance
700 W. State Street
P.O. Box 83720
Boise, Idaho 83720-0043

A copy of the motion for reconsideration or request for a hearing shall also be served on the Department's counsel in this matter, John C. Keenan, Deputy Attorney General, at the following address:

John C. Keenan
Deputy Attorney General
Idaho Department of Insurance
P.O. Box 83720
Boise, Idaho 83720-0043

If the Respondents timely file a request for a hearing, the Department will notify the Respondent of the date, time, and place of the hearing, as well as the name and contact information of the presiding officer.

Any hearing and subsequent proceedings in this matter will be conducted in accordance with the Idaho Administrative Procedure Act, Idaho Code § 67-5201 *et seq.*

The Director will dispose of a motion for reconsideration within twenty-one (21) days of its receipt, or the motion will be considered denied by operation of law. Idaho Code § 67-

5246(4); Rule 740, Idaho Rules of Administrative Procedure of the Attorney General (IRAP), located at IDAPA 4.11.01.740.

Pursuant to Idaho Code §§ 67-5250 and 67-5272, any party aggrieved by this final order may appeal to the district court by filing a petition in the district court of the county in which:

- i. A hearing was held;
- ii. The final agency action was taken;
- iii. The party seeking review of the order resides or operates its principal place of business in Idaho; or
- iv. The real property or personal property that was the subject of the agency action is located.

See IDAPA 04.11.01.740.02.b.


An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. See Idaho Code § 67-5273. The filing of an appeal to the district court does not itself stay the effectiveness or enforcement of the order under appeal. See IDAPA 04.11.01.740.02.c.

This **ORDER TO CEASE AND DESIST** is effective upon issuance.

IT IS SO ORDERED.

DATED this 23RD day of April, 2014.

STATE OF IDAHO
DEPARTMENT OF INSURANCE


WILLIAM W. DEAL, Director

CERTIFICATE OF SERVICE

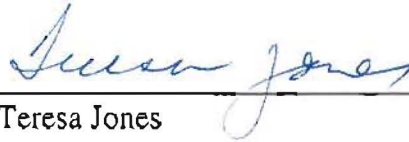
I HEREBY CERTIFY that, on this 24th day of April, 2014, I caused a true and correct copy of the foregoing ORDER TO CEASE AND DESIST to be served upon the following by the designated means:

Margaret C. Martin
Executive Vice President
1148 Alpine Road, Suite 100
Walnut Creek, CA 94596

☒ first class mail
☒ certified mail
☐ hand delivery
☐ via facsimile

John C. Keenan
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

☐ first class mail
☐ certified mail
☒ hand delivery
☐ via facsimile



Teresa Jones