

**FILED** *PM*  
**APR 22 2019**  
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  
Producer License of:

WILLIAM TROIANI,

Applicant.

Docket No. 18-3621-19

**FINAL ORDER**

This matter came before the Director of the Idaho Department of Insurance (“Director”) for an evidentiary hearing on April 2, 2019, at 9:00 a.m. at the Idaho Department of Insurance (“Department”) in Boise, Idaho. Michael Witry, Deputy Attorney General, appeared on behalf of the Department. William Troiani (“Troiani”) appeared and represented himself.

On February 15, 2019, Troiani submitted an Application for Resident Producer License to the Department (the “Application”). Troiani disclosed to the Department that he was disbarred from the practice of law in the state of California and provided with the Application a State of California Disbarment order, dated October 22, 2015. Troiani also provided to the Department a personal statement regarding the underlying circumstances of the disbarment.

On February 22, 2019, the Department denied Troiani's Application, pursuant to Idaho Code § 41-1016(1)(h), based on facts stipulated to by Troiani in the California disbarment proceeding.

On March 14, 2019, the Department received a letter from Troiani dated March 11, 2019, requesting a hearing to appeal the denial of his Application.

#### EVIDENCE PRESENTED AT HEARING

At the hearing on April 2, 2019, the Department presented witness testimony and documentary evidence. Troiani presented personal testimony.

Pursuant to Idaho Code § 41-1016(1)(h), the Department has authority to deny an application for a producer license based upon the applicant "[u]sing fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility, or being a source of injury and loss to the public or others, in the conduct of business in [Idaho] or elsewhere." The Department contends that denial is appropriate because the misconduct underlying Troiani's disbarment was capable of being repeated were he granted a producer license.

In addition to the disbarment order disclosed by Troiani, the Department presented evidence at the hearing demonstrating that Troiani had been disciplined by the California Bar twice prior to his disbarment in 2015, and that the United States Department of Justice, Board of Immigration Appeals, had also suspended Troiani in April 2014. Troiani did not disclose these disciplinary matters in his application to the Department. Additionally, Troiani testified that the California Bar pursued two disciplinary actions against him. The Department's evidence included three disciplinary actions.

In summary, the Department presented evidence that Troiani had 1) commingled client funds and personal funds, 2) used his client trust account as a business account and to hide personal assets, 3) collected or retained client fees for work not performed, 4) collected client fees while suspended from the practice of law, 5) collected fees without client consent, 6) failed to pay court sanctions, 7) failed to pay restitution, 8) failed to show up in court, and 9) assisted unlicensed attorneys in the unlicensed practice of law.

The Department presented testimony that these types of misconduct are cause for concern in the insurance producer industry. Producers have access to client funds and may have to manage trust accounts. Producers must meet deadlines and use funds for the intended purpose of binding coverage, or there could be grave consequences for consumers. Producers must not allow unlicensed individuals to conduct work requiring a license. Producers must respond timely, thoroughly, and honestly to Department inquiries and may have to attend Department hearings.

Troiani admitted to some of the misconduct in the California Bar disciplinary orders, stating that he did it “out of necessity.” Specifically, he admitted to commingling funds and to taking upfront fees in loan modification cases – apparently an ethical violation in California. On the other hand, he blamed other lawyers that he supervised for much of the misconduct, although he ultimately acknowledged that he was responsible for supervising those lawyers. Troiani has not made restitution for his financial misconduct. He has not paid court fees in connection with his misconduct. He did not take steps to minimize harm to his clients’ interests. He has not engaged in any rehabilitation.

He blamed much of his misconduct on the destruction of his files and equipment in 2011. That incident was not cited as a mitigating factor, however, in any of the disciplinary orders. Troiani admitted that he stipulated to all the facts in all of the California disciplinary orders, but

stated that he only entered the stipulations because he was worn out emotionally and financially, and, had he fought the charges, the charges would have “went away.”

The Director received the transcript of the hearing on April 16, 2019. Neither party requested to supplement the record. The record is closed.

#### FINDINGS OF FACT

Troiani engaged in a pattern of misconduct starting in 2007 and ending in 2014, resulting in his disbarment in 2015. During that time, Troiani 1) commingled client funds and personal funds, 2) used his client trust account as a business account and to hide personal assets, 3) collected or retained client fees for work not performed, 4) collected client fees while suspended from the practice of law, 5) collected fees without client consent, 6) failed to pay court sanctions, 7) failed to pay restitution, 8) failed to show up in court, and 9) assisted unlicensed attorneys in the unlicensed practice of law. Further, he has not taken responsibility for his misconduct. Rather, he seeks to relitigate his disciplinary matters in this proceeding. He blames his ethical violations partially on the destruction of his files and equipment in 2011. This is unpersuasive, however, because many of the violations occurred prior to 2011. Moreover, this was not listed as a mitigating factor in any of the California Bar disciplinary orders.

Troiani was not forthcoming in his producer application. He did not disclose the 2011 and 2015 suspensions from the California Bar. This pattern of misconduct makes Troiani unfit to be an Idaho insurance producer because he would be required to handle client money, provide services for his clients, abide by licensing statutes, respond accurately and timely to Department inquiries, appear at hearings, and take responsibility for his actions as well as those of anyone he supervises in transacting insurance business.

CONCLUSIONS OF LAW

Troiani's misconduct demonstrates dishonesty, untrustworthiness, and financial irresponsibility. Troiani caused injury and loss to several of his clients, as set forth in the California Bar disciplinary orders. He failed to fully disclose his disciplinary record in his producer application. Accordingly, the Department has established a sufficient basis for the denial of a producer's license under Idaho Code § 41-1016(1)(h).

FINAL ORDER

THEREFORE, IT IS HEREBY ORDERED that Troiani's Application for an Idaho resident producer license is DENIED.

DATED this 19<sup>th</sup> day of April, 2019.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE



DEAN L. CAMERON  
Director

### **NOTIFICATION OF RIGHTS**

This Order constitutes a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the motion for reconsideration within twenty-one (21) days of its receipt, or the motion will be considered denied by operation of law. See Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may file a petition for judicial review 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.

A petition for judicial review must be filed within twenty-eight (28) days of: (a) the service date of this final order, (b) the service of an order denying motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a motion for reconsideration, whichever is later. See Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal. Idaho Code § 67-5274.

### **NOTICE REGARDING REPORTABLE PROCEEDINGS**

The foregoing is considered a reportable administrative proceeding. As such, it is a public record and is public information that may be disclosed to other states and reported to companies as to which the Respondent is actively appointed. This information will be reported to the National Association of Insurance Commissioners (NAIC) and will appear in the online searchable database

of the Idaho Department of Insurance. The Respondent should be aware that this proceeding must be disclosed on any insurance license application and must be reported to any and all states in which the Respondent holds an insurance license.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 22<sup>nd</sup> day of April, 2019, I caused a true and correct copy of the foregoing FINAL ORDER to be served upon the following by the designated means:

William Troiani  
4508 S. Cruzatte Lane  
Boise, ID 83716  
wtroiani@aol.com

- first class mail
- certified mail
- hand delivery
- via email

Michael Witry  
Deputy Attorney General  
Idaho Department of Insurance  
700 W. State St., 3<sup>rd</sup> Floor  
P.O. Box 83720  
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- first class mail
- certified mail
- hand delivery
- via facsimile

*Attorney for the Department of Insurance*

  
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Pamela Murray