

STATE OF ARIZONA
DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

WATTS, DAVID SANTIAGO

(National Producer No. 18927111)

No. 20A-072-INS

ORDER

Respondent

On May 6, 2021, the Office of Administrative Hearings, through Administrative Law Judge Thomas Shedden, issued an Administrative Law Judge Decision (“Recommended Decision”). The Director of the Arizona Department of Insurance and Financial Institutions (“Director”) received the Recommended Decision on that same date, a copy of which is attached and incorporated by reference. The Director has reviewed the Recommended Decision and enters the following:

1. The Director ADOPTS the Recommended Findings of Fact.
2. The Director ADOPTS the Recommended Conclusions of Law.
3. The Director ADOPTS the Recommended Order.
4. The Director orders that David Santiago Watts’ Arizona insurance producer license 18927111 is revoked effective immediately.

NOTIFICATION OF RIGHTS

Pursuant to Arizona Revised Statutes (“A.R.S.”) § 41-1092.09, Respondent may request a rehearing or review with respect to this Order by filing a written motion with the Director of the Department of Insurance within 30 days after the date of this Order, setting forth the basis for relief under Arizona Administrative Code R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to the Superior Court.

Respondent may appeal the final decision of the Director to the Superior Court of

1 Maricopa County for judicial review, pursuant to A.R.S. § 20-166. A party filing an appeal
2 must notify the Office of Administrative Hearings of the appeal within ten days after filing
3 the complaint commencing the appeal, pursuant A.R.S. § 12-904(B).

4 DATED this 10th day of May, 2021.

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7 _____
8 Evan G. Daniels, Director
9 Arizona Department of Insurance and
10 Financial Institutions

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18 **COPY** of the foregoing electronically transmitted
19 this 11th day of May, 2021, to:

20 Thomas Shedden, Administrative Law Judge
21 Office of Administrative Hearings
22 <https://portal.azoah.com/submission>

23 **COPY** of the foregoing mailed by U.S. Certified Mail,
24 Electronic Receipt Requested, same date to:

25 David Santiago Watts
26 2141 N Evergreen St., Apt 2026
Chandler, AZ 85225
Respondent

9489 0090 0027 6155 1647 23

1 **COPY** of the foregoing electronically delivered same date to:

2 Deian Ousounov, Regulatory Legal Affairs Officer
3 Ana Starcevic, Paralegal Project Specialist
4 Steven Fromholtz, Division Manager
5 Aqueelah Currie, Licensing Supervisor
6 Linda Lutz, Legal Assistant
7 Arizona Department of Insurance and Financial Institutions
8 100 North 15th Avenue, Suite 261
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7 David Santiago Watts
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9 Respondent

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13 Attorney for the Department

13 *Ana Starcevic* for

14 Francine Juarez

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of:

No. 20A-072-INS

WATTS, DAVID SANTIAGO
(National Producer No. 18927111)

**ADMINISTRATIVE LAW JUDGE
DECISION**

Respondent

HEARING: April 20, 2021

APPEARANCES: No one appeared for Respondent; James Rolstead, Esq. for the
Department of Insurance and Financial Institutions

ADMINISTRATIVE LAW JUDGE: Thomas Shedden

FINDINGS OF FACT

1. On March 10, 2021, the Arizona Department of Insurance and Financial Institutions (“Department”) issued a Notice of Hearing setting the above-captioned matter for hearing at 1:00 p.m. on April 20, 2021 at the Office of Administrative Hearings.
2. Respondent David Santiago Watts did not appear at the scheduled hearing time and the matter was convened in his absence at about 1:15 p.m.
3. The Department presented the testimony of its senior investigator Jeff Eavenson.
4. Mr. Watts holds National Producer Number 18927111 issued by the Department, which is due to expire on November 30, 2021.
5. On November 25, 2019, the Department received from Royal Neighbors of America notice that as of November 13, 2019 it had terminated its agent contract with Mr. Watts. In its letter to the Department, Royal Neighbors noted that Mr. Watts was not terminated for cause.
6. Royal Neighbors reported that it had received from Mr. Watts nine applications for unrelated individuals all using the same banking information.
7. In response to an inquiry from Royal Neighbors, Mr. Watts wrote that the premiums were all being paid by a financial enrichment Ministry in which all applicants were members. Mr. Watts informed Royal Neighbors that he could not write the policies

1 as a group plan and he asked Royal Neighbors to notify him if its request was for him to
2 separate account payments by individual client.

3 8. Mr. Eavenson conducted an investigation for the Department.

4 9. The information from Royal Neighbors shows that Green Dot Bank was the bank
5 from which the premiums were to be paid. Mr. Eavenson testified to the effect that Green
6 Dot Bank is not a "brick and mortar" facility, but rather one that sells prepaid debit cards.

7 10. At least one of the policy accounts was set up using Mr. Watts's email address.

8 11. Green Dot Bank provided the Department with information about the account,
9 which did not show it was a ministry's account.

10 12. Through a letter dated March 17, 2020, Mr. Eavenson requested that Mr. Watts
11 provide information related to the matter. That letter was sent to Mr. Watts's mailing
12 address of record and to his email address of record.

13 13. Mr. Watts did not respond to the letter of March 17, 2020.

14 14. Through a letter dated October 19, 2020 sent by certified mail to Mr. Watts's
15 address of record, the Department issued a subpoena requiring him to appear at the
16 Department's office on November 12, 2020 at 1:00 p.m. The Department's letter provided
17 that Mr. Watts could appear virtually via the internet.

18 15. The Department's letter and subpoena were returned by the United States Postal
19 Service as undeliverable and unable to forward.

20 16. Mr. Watts did not appear at the Department's office on November 12, 2020.

21 17. The Department requests that Mr. Watts's license be revoked.

22 **CONCLUSIONS OF LAW**

23 1. The Department bears the burden of persuasion. ARIZ. REV. STAT. § 41-
24 1092.07(G)(2).

25 2. The burden of proof at an administrative hearing falls to the party asserting a
26 claim, right or entitlement. The standard of proof is that of the preponderance of the
27 evidence. ARIZ. ADMIN. CODE § R2-19-119.

28 3. A preponderance of the evidence is:

29 The greater weight of the evidence, not necessarily established
30 by the greater number of witnesses testifying to a fact but by

evidence that has the most convincing force; superior evidentiary weight that, though not sufficient to free the mind wholly from all reasonable doubt, is still sufficient to incline a fair and impartial mind to one side of the issue rather than the other.

BLACK'S LAW DICTIONARY 1373 (10th ed. 2014).

4. The preponderance of the evidence shows that Mr. Watts has violated ARIZ. REV. STAT. section 20-295(A)(2).

5. Because Mr. Watts has violated ARIZ. REV. STAT. section 20-295, the Department has authority to revoke his license.

6. Considering the facts and circumstances of this matter, particularly Mr. Watts's failure to appear at the hearing, his license should be revoked.

RECOMMENDED ORDER

IT IS ORDERED that David Santiago Watts's license number 18927111 is revoked.

In the event of certification of the Administrative Law Judge Decision by the Director of the Office of Administrative Hearings, the effective date of the Order will be the date of that certification.

Done this day, May 6, 2021.

/s/ Thomas Shedden
Thomas Shedden
Administrative Law Judge

Transmitted electronically to:

Evan G. Daniels,
Department of Insurance and Financial Institutions