

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the matter of:

BROWN, SHAWN BRUCE
(National Producer No. 7129733)

and

**FARNSWORTH RICKS INSURANCE
AGENCY, INC.**
(National Producer No. 8847291)

Respondents.

No. 20A-078-INS

ORDER

On August 6, 2021, the Office of Administrative Hearings, through Administrative Law Judge Sondra J. Vanella, 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 August 9, 2021, 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 Shawn Bruce Brown’s Arizona insurance producer license, national producer number 7129733, is revoked effective immediately.
5. The Director orders that Farnsworth Ricks Insurance Agency, Inc.’s Arizona insurance producer license, national producer number 8847291, 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

1 Director within 30 days after the date of this Order, setting forth the basis for relief under
2 Arizona Administrative Code R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not
3 necessary to request a rehearing before filing an appeal to the Superior Court.

4 Respondent may appeal the final decision of the Director to the Superior Court of
5 Maricopa County for judicial review, pursuant to A.R.S. § 20-166. A party filing an appeal
6 must notify the Office of Administrative Hearings of the appeal within ten days after filing the
7 complaint commencing the appeal, pursuant A.R.S. § 12-904(B).

8 DATED this 18th day of August, 2021.

9 

10 _____
11 Evan G. Daniels, Director
12 Arizona Department of Insurance and
13 Financial Institutions

14
15 **COPY** of the foregoing electronically transmitted
16 this **18th** day of **August**, 2021, to:

17 Sondra J. Vanella, Administrative Law Judge
18 Office of Administrative Hearings
19 <https://portal.azoah.com/submission>

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

22 Shawn Bruce Brown
23 1348 S Heartland Lane
24 Gilbert, AZ 85296
25 Respondent

9489 0090 0027 6265 2269 15

26 Farnsworth Ricks Insurance Agency Inc.
6065 E. University Dr.
Mesa, AZ 85205
Respondent

9489 0090 0027 6265 2269 22

1 Shawn Bruce Brown
2 c/o Franklin or Ann Brown
3 1625 E. Mallory St.
4 Mesa, AZ 85203
5 Respondent

9489 0090 0027 6265 2269 39

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

7 Deian Ousounov, Regulatory Legal Affairs Officer
8 Ana Starcevic, Paralegal Project Specialist
9 Steven Fromholtz, Division Manager
10 Aquellah Currie, Licensing Supervisor
11 Linda Lutz, Legal Assistant
12 Wendy Greenwood, Investigations Manger
13 Arizona Department of Insurance and Financial Institutions
14 100 North 15th Avenue, Suite 261
15 Phoenix, Arizona 85007

16 Shawn Bruce Brown
17 frinsurance@qwest.net
18 Respondent

19 Farnsworth Ricks Insurance Agency Inc.
20 SHAWN@FRINSURANCE.COM
21 azsport@hotmail.com
22 Respondent

23 James Rolstead, Assistant Attorney General
24 AdminLaw@azag.gov
25 Attorney for the Arizona
26 Department of Insurance and Financial Institutions

20 D.O. 

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of:

No. 20A-078-INS

Shawn Bruce Brown
(National Producer 7129733)

**ADMINISTRATIVE LAW JUDGE
DECISION**

And

Farnsworth Ricks Insurance Agency, Inc.
(National Producer No. 8847291),

Respondents,

HEARING: July 27, 2021

APPEARANCES: Assistant Attorney General James Rolstead represented the Arizona Department of Insurance and Financial Institutions. Jeffrey Eavenson, Senior Investigator, appeared as a witness for the Arizona Department of Insurance and Financial Institutions. Assistant Attorney General Holly Wan and Susan Hack observed the proceedings. Respondents Shawn Bruce Brown and Farnsworth Ricks Insurance Agency, Inc. failed to appear.

ADMINISTRATIVE LAW JUDGE: Sondra J. Vanella

FINDINGS OF FACT

1. At all times relevant to this matter, Shawn Bruce Brown ("Mr. Brown") was licensed by the Arizona Department of Insurance and Financial Institutions ("Department") in Arizona as an Arizona resident insurance producer, National Producer Number 7129733, with lines of authority in life insurance, accident and health or sickness insurance, and property and casualty insurance. Mr. Brown's license expired on May 31, 2019.¹

2. At all times relevant to this matter, Farnsworth Ricks Insurance Agency, Inc. ("Farnsworth Ricks") was licensed by the Department as an Arizona resident business entity insurance producer with lines of authority in life insurance, accident and health or

¹ See Department's Exhibit 1.

1 sickness insurance, and property and casualty insurance, National Producer Number
2 8847291. Farnsworth Ricks' license expired on July 31, 2020.² Mr. Brown was the
3 President of Farnsworth Ricks prior to the expiration of his license.³

4 J.H.O. Complaint

5 3. On or about February 24, 2017, the Department received a Request for
6 Assistance from a consumer, J.H.O., alleging that Mr. Brown collected a premium
7 payment for general liability and worker's compensation policies that Mr. Brown never
8 placed in force.⁴ Senior Department Investigator, Jeffrey Eavenson, investigated J.H.O.'s
9 complaint.

10 4. Mr. Eavenson testified the J.H.O.'s complaint alleged that J.H.O. had paid
11 Mr. Brown \$344.70 to bind his general liability and worker's compensation insurance for
12 his business, however, Mr. Brown failed to do so. J.H.O. discovered that Mr. Brown never
13 placed the policies after one of J.H.O.'s employees sustained a work related injury. J.H.O.
14 was subject to a fine imposed by the Industrial Commission for failing to have worker's
15 compensation insurance.

16 5. During the course of his investigation, Mr. Eavenson discovered that Mr.
17 Brown received two quotes for J.H.O.'s general liability insurance policy.⁵

18 6. Mr. Brown responded to the Department's inquiry regarding J.H.O.'s
19 complaint and provided a bank statement that Mr. Brown indicated proves that he
20 returned J.H.O.'s premium payment to J.H.O.'s father.⁶ However, the bank statement
21 does not delineate the refund of the amount J.H.O. paid and no explanation was provided
22 as to why Mr. Brown would return J.H.O.'s monies to J.H.O.'s father. Mr. Brown failed to
23 provide the Department with a satisfactory explanation regarding this complaint,
24 notwithstanding multiple requests by the Department for Mr. Brown to provide the
25 Department with information. Mr. Eavenson testified that the Department has not

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27 ² See Department's Exhibit 2.

³ *Id.*

⁴ See Department's Exhibit 3.

⁵ See Department's Exhibits 3C and 3D.

⁶ See Department's Exhibits 3A and 3E.

1 received any documentation that Mr. Brown bound the insurance policies for J.H.O., and
2 opined that it would not make sense for Mr. Brown to assert that he reimbursed J.H.O.
3 the premium payment if Mr. Brown had actually bound the policies.

4 D.B. Complaint

5 7. On January 4, 2019, D.B. filed a Consumer Complaint with the Department
6 against Farnsworth Ricks and Mr. Brown alleging that Mr. Brown created a fraudulent
7 insurance policy for D.B.'s houseboat and collected premium payments for that fraudulent
8 policy.⁷

9 8. Mr. Eavenson testified that Mr. Brown had been D.B.'s insurance agent for
10 a previous houseboat owned by D.B., named Golden Eagle. During the course of his
11 investigation, Mr. Eavenson discovered the following in relation to D.B.'s complaint:

- 12 i) Golden Eagle was lost to a fire and a claim was paid on that loss.
- 13 ii) D.B. subsequently purchased another houseboat named Chillin The Most.
- 14 iii) D.B. contacted Mr. Brown in order to obtain insurance for Chillin The Most.
- 15 iv) D.B. paid premiums toward the new policy on November 10, 2016, in the
16 amount of \$1,666.00, and on March 31, 2018, in the amount of \$1,766.66.⁸
- 17 v) D.B. believed that Chillin The Most had been insured for two years, however
18 it was never insured. Instead, Mr. Brown "recycled" the insurance policy
19 issued for Golden Eagle in order to have D.B. believe that Chillin The Most
20 had been insured.
- 21 vi) D.B. issued a check in the amount of \$1,666.00 to American Marine
22 Insurance Services on November 10, 2016, which was endorsed to
23 Farnsworth Ricks and deposited into Mr. Brown's/Farnsworth's Ricks' bank
24 account.⁹

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28 ⁷ See Department's Exhibit 4.

29 ⁸ See Department's Exhibits 4a and 4d respectively.

30 ⁹ See Department's Exhibits 4a and 4f respectively.

1 vii) Mr. Brown provided D.B. as proof of insurance for Chillin The Most, a Rate
2 Indication document that contained a rate quote with the policy number for
3 insurance issued for Golden Eagle, not Chillin The Most.¹⁰

4 viii) Mr. Brown also provided D.B. as proof of insurance for Chillin The Most a
5 Watercraft Declarations Page that contains D.B.'s name but not the name
6 of the boat.¹¹

7 ix) D.B.'s March 31, 2018 check in the amount of \$1,766.66 was issued to
8 Farnsworth Ricks.¹²

9 x) Markel American Insurance Company provided the Department with a
10 response to a request to review Declarations Pages provided to D.B. by Mr.
11 Brown. The response indicates the following in pertinent part:¹³

12 MYH0000240399 – D.B.

- 13 • On the Declarations Page provided, the insured is reflected as
14 D.B., however we show that the insured is Golden Eagle
15 Houseboats.
- 16 • This policy canceled on June 2, 2016. The policy period on the
17 Declarations Page provided is not correct.
- 18 • The coverage lines, limits, and premium columns does not match
19 our output format. . . .

20
21 QT00001312726 – Chillin The Most

- 22 • A number starting with QT means that was a quote that was never
23 turned into a policy.
- 24
- 25 • The Quote was for D.B. and not Chillin The Most.
- 26 • The quote date as shown towards the top of the document does
27 not match.
- 28 • The premium charged does not match.

29
30 Farnsworth Ricks is not a contracted agent with MAIC.

31 All errors in original.

32

¹⁰ See Department's Exhibit 4b.

33 ¹¹ See Department's Exhibit 4c.

34 ¹² See Department's Exhibit 4d.

35 ¹³ See Department's Exhibit 4e.

1 xi) Mr. Brown's/Farnsworth Ricks' bank statements show deposit dates
2 corresponding with the dates D.B.'s insurance premium checks were
3 issued.¹⁴

4 9. Mr. Eavenson testified that D.B. was at considerable risk due to Mr. Brown's
5 actions as Chillin The Most was not insured for two years and D.B. paid for insurance he
6 did not receive.

7 Casa Verde Complaint

8 10. On January 25, 2019, S.F., on behalf of Casa Verde Construction, LLC
9 ("Casa Verde"), submitted a Consumer Complaint to the Department alleging that Mr.
10 Brown collected a premium payment for a general liability policy and a commercial
11 automobile police for Casa Verde and subsequently issued fraudulent insurance and
12 identification cards.¹⁵

13 11. Mr. Eavenson testified that Casa Verde contacted Mr. Brown about
14 obtaining commercial auto insurance for a fleet of construction vehicles, as well as
15 general liability insurance. Mr. Eavenson further testified that Mr. Brown emailed Casa
16 Verde two certificates of insurance for the dates December 29, 2018 through December
17 29, 2019, as well as insurance cards that indicated Liberty Mutual as the insurer.

18 12. Mr. Eavenson testified that on January 22, 2019, Casa Verde contacted
19 Liberty Mutual and was informed there was no record of an insurance quote and that the
20 policy number on the insurance cards was not valid. During the course of his
21 investigation, Mr. Eavenson obtained copies of email correspondence between Mr. Brown
22 and Casa Verde with attachments containing the two certificates of insurance and the
23 four insurance cards.¹⁶

24 13. Subsequent to Casa Verde's communication with Liberty Mutual, Liberty
25 Mutual attempted to contact Mr. Brown regarding the policies written for Casa Verde. Mr.
26 Brown did not respond to Liberty Mutual's inquiries.¹⁷

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28 ¹⁴ See Department's Exhibits 4f and 4g.

¹⁵ See Department's Exhibit 5.

¹⁶ See Department's Exhibit 5a.

¹⁷ See Department's Exhibit 5b.

1 14. Mr. Eavenson testified that notwithstanding that Casa Verde did not pay any
2 monies to Mr. Brown, Casa Verde sustained considerable risk because of the gap in
3 insurance created by Mr. Brown. Mr. Eavenson explained that because of the lapse in
4 insurance, Casa Verde was placed in a higher risk tier resulting in a higher insurance rate
5 to obtain new insurance.

6 15. On February 1, 2019, the Department issued a Subpoena Duces Tecum
7 ordering Mr. Brown to appear on February 19, 2019, at the Department to provide
8 documents and give testimony in regard to the above-specified complaints.¹⁸ Mr.
9 Eavenson testified that the subpoena was sent to Mr. Brown's addresses of record with
10 the Department. Mr. Brown failed to appear as ordered.

11 Apache Wells Complaint

12 16. On February 12, 2019, Liberty Mutual Insurance Company ("Liberty
13 Mutual") sent a letter to the Department alleging that Mr. Brown and Farnsworth Ricks
14 collected from Apache Wells Homeowners Association ("Apache Wells") "approximately
15 \$60,000.00 for commercial coverage supposedly provided in 2018 and 2019," and that
16 "[n]either of the policy numbers are legitimate Liberty Mutual Insurance policy
17 number[s]."¹⁹ The letter further stated, "Shawn Brown/Farnsworth Ricks Insurance
18 Agency Inc. are not appointed with Liberty Mutual Insurance as a commercial agent and
19 are not authorized to act on behalf of Liberty Mutual Insurance."²⁰

20 17. The Department received documentation establishing that Apache Wells
21 paid \$28,785.23 to Farnsworth Ricks on June 22, 2018.²¹ The Department obtained
22 documentation showing that a deposit for \$28,920.43 was made into Mr.
23 Brown's/Farnsworth Ricks' bank account on June 22, 2018.²²

24 18. The Department also received a copy of a Certificate of Liability Insurance
25 dated February 4, 2019, showing the insured as Apache Wells, Farnsworth Ricks as the
26

27 ¹⁸ See Department's Exhibit 6.

28 ¹⁹ See Department's Exhibit 7.

29 ²⁰ *Id.*

30 ²¹ See Department's Exhibit 7a.

²² See Department's Exhibit 7d.

1 Producer, Mr. Brown as the point of contact, the insurer as Liberty Mutual, with a policy
2 number that does not exist.²³

3 19. On December 24, 2019, an attorney representing Apache Wells sent Mr.
4 Brown a demand letter, demanding reimbursement for the amounts paid by Apache Wells
5 for insurance policies that “never existed and were issued fraudulently.”²⁴

6 J.E.P. Complaint

7 20. On March 28, 2019, Lincoln National Life Insurance Company (“Lincoln”)
8 submitted a Consumer Complaint to the Department and attached thereto were
9 documents related to a policy issued to consumer J.E.P.²⁵ The Complaint alleged that
10 Mr. Brown created a fraudulent life insurance policy, collected premium payments from a
11 consumer for that policy, and failed to remit the premium check to Lincoln.²⁶

12 21. The documentation attached to this complaint included a copy of the check
13 issued to Farnsworth Ricks dated November 19, 2018, in the amount of \$1,654.00 for the
14 life insurance premium,²⁷ Mr. Brown’s/Farnsworth Ricks’ bank statement showing a
15 deposit made on November 30, 2018, in the amount of \$1721.05,²⁸ and a letter dated
16 January 2, 2019, from Lincoln to J.E.P. informing him that “[w]e have not received the
17 outstanding requirements necessary to place your policy in force and find it necessary to
18 process your policy as Not taken. Therefore, no life insurance coverage is in effect under
19 this policy.”²⁹

20 22. Notwithstanding the fact that Mr. Brown did not pay the premium for the
21 policy, Mr. Brown sent J.E.R. an email on January 23, 2019, assuring him, “spoke to
22 underwriter and should be posted within 48 hours, everything is good.”³⁰

23 23. In response to an inquiry from the Department regarding this complaint, Mr.
24 Brown asserted that he attempted to pay the premium, however, Lincoln would not accept

25 ²³ See Department’s Exhibit 7b.

26 ²⁴ See Department’s Exhibit 7c.

27 ²⁵ See Department’s Exhibit 8.

28 ²⁶ *Id.*

29 ²⁷ See Department’s Exhibit 8a.

30 ²⁸ See Department’s Exhibit 8d.

²⁹ See Department’s Exhibit 8b.

³⁰ See Department’s Exhibit 8c.

1 “agency checks.”³¹ Mr. Eavenson testified that Mr. Brown did not submit to the
2 Department any evidence that he attempted to remit the premium to Lincoln, and
3 moreover, if Mr. Brown was unable to remit the payment via one method, it was his
4 obligation to remit the premium payment via an acceptable method.

5 J.C.J. Complaint

6 24. On April 8, 2019, Liberty Mutual sent another letter to the Department with
7 attachments related to an insurance policy issued by Mr. Brown to J.C.J. The letter
8 indicated that “[t]he policy number is not a legitimate Liberty Mutual Insurance policy
9 number” and that “Shawn Brown/Farnsworth Ricks Insurance Agency Inc. are not
10 appointed with Liberty Mutual Insurance as a commercial agent and are not authorized
11 to act on behalf of Liberty Mutual Insurance in any capacity.”³² The attachments to the
12 letter included a copy of the premium payment from J.C.J. to Liberty Mutual in the amount
13 of \$3,679.86, dated September 12, 2018, and endorsed by “Farnsworth Ricks Agents for
14 Liberty Mutual,”³³ and a falsified policy.³⁴ The Department obtained a copy of Mr.
15 Brown’s/Farnsworth Ricks’ bank statement showing a deposit in the amount of \$3,692.93
16 on September 14, 2018.³⁵ Mr. Eavenson testified that J.C.J. was never reimbursed by
17 Mr. Brown for the monies paid for the insurance premium.

18 J.N. Complaint

19 25. On April 29, 2019, J.N. filed a Consumer Complaint with the Department
20 alleging that Mr. Brown created a fraudulent insurance policy and collected a premium
21 payment and never remitted that payment to the insurer.³⁶ J.N. issued a check on
22 December 10, 2018, payable to Safeco Insurance in the amount of \$643.00 which was
23 endorsed as “payable to Farnsworth Ricks Agents for and behalf of Safeco.”³⁷ Mr.
24 Eavenson testified that J.N. sent another check to Safeco and Mr. Brown did not
25 reimburse J.N.

26 ³¹ See Department’s Exhibit 8e.

27 ³² See Department’s Exhibit 9.

28 ³³ See Department’s Exhibit 9a.

29 ³⁴ See Department’s Exhibit 9b.

30 ³⁵ See Department’s Exhibit 9c.

³⁶ See Department’s Exhibit 10.

³⁷ See Department’s Exhibit 10a.

1 26. On June 3, 2019, the Department issued a second Subpoena Duces Tecum
2 ordering Mr. Brown to surrender specified documents to the Department immediately
3 upon service of the subpoena.³⁸ Mr. Brown failed to respond to the subpoena.

4 27. Mr. Eavenson testified that Mr. Brown failed to cooperate in the
5 Department's investigation which delayed the investigation.

6 28. On September 25, 2020, and October 5, 2020, the Department attempted
7 to arrange a web-conference with Mr. Brown.³⁹ Mr. Brown failed to schedule web-
8 conferences when requested to do so by the Department.

9 29. On November 5, 2020, the Department issued a third Subpoena Duces
10 Tecum ordering Mr. Brown to appear at the Department on December 2, 2020, to give
11 testimony and produce specified documents.⁴⁰ Mr. Brown failed to respond to the
12 subpoena.

13 30. Also on November 5, 2020, the Department issued a letter to Mr. Brown
14 giving him the option of appearing by video or phone on December 2, 2020, rather than
15 appear in person, due to the pandemic.⁴¹ Mr. Eavenson testified that the subpoena that
16 was sent to the business address for Mr. Brown/Farnsworth Ricks was returned to the
17 Department as "unclaimed" and "unable to forward."⁴² However, the subpoena mailed to
18 Mr. Brown's residential address was successfully delivered.⁴³

19 31. On November 7, 2020, Mr. Brown emailed the Department with dates of
20 availability.⁴⁴

21 32. On November 9, 2020, Mr. Eavenson responded to Mr. Brown's November
22 7, 2020 email, to which Mr. Brown failed to respond and further failed to appear on
23 December 2, 2020 pursuant to the subpoena.⁴⁵

24
25 ³⁸ See Department's Exhibit 11.

26 ³⁹ See Department's Exhibits 12 and 13.

27 ⁴⁰ See Department's Exhibit 14.

28 ⁴¹ See Department's Exhibit 15.

29 ⁴² See Department's Exhibit 16.

30 ⁴³ *Id.*

⁴⁴ See Department's Exhibit 17.

⁴⁵ See Department's Exhibit 18.

1 33. Mr. Brown did not appear at the hearing; therefore, he did not present any
2 evidence to refute or rebut the evidence presented by the Department.

3 **CONCLUSIONS OF LAW**

4 1. This matter is a disciplinary proceeding wherein the Department must prove
5 by a preponderance of the evidence that Respondent violated the State's Insurance
6 Laws. See A.A.C. R2-19-119.

7 2. The copies of the Notice of Hearing that the Department sent to Mr. Brown
8 and Farnsworth Ricks at the addresses of record and at the email addresses of record
9 were reasonable and both are deemed to have received notice of the hearing. A.R.S. §§
10 41-1092.04 and 41-1092.05(D).

11 3. Mr. Brown's and Farnsworth Ricks' conduct, as described above,
12 constituted violating any provision of this title or any rule, subpoena or order of the
13 director, within the meaning of A.R.S. § 20-295(A)(2).

14 4. Mr. Brown's and Farnsworth Ricks' conduct, as described above,
15 constituted improperly withholding, misappropriating or converting any monies or
16 properties received in the course of doing insurance business, within the meaning of
17 A.R.S. § 20-295(A)(4).

18 5. Mr. Brown's and Farnsworth Ricks' conduct, as described above,
19 constituted using fraudulent, coercive or dishonest practices, or demonstrating
20 incompetence, untrustworthiness or financial irresponsibility in the conduct of business in
21 this state or elsewhere within the meaning of A.R.S. § 20-295(A)(8).

22 6. Grounds exist for the Director of the Department to suspend, revoke, or
23 refuse to renew the Licenses pursuant to A.R.S. § 20-295(A).

24 7. Further, Mr. Brown's and Farnsworth Ricks' conduct and lack of cooperation
25 and candor throughout the course of the Department's investigation coupled with the
26 failure to appear at the hearing demonstrate that they are not able to be regulated at this
27 time.

28 **ORDER**

29 Based upon the above, Mr. Brown's and Farnsworth Ricks' Licenses shall be
30 revoked on the effective date of the Order entered in this matter.

1 *In the event of certification of the Administrative Law Judge Decision by the*
2 *Director of the Office of Administrative Hearings, the effective date of the Order will be*
3 *five (5) days from the date of that certification.*

4
5 Done this day, August 6, 2021.

6
7 /s/ Sondra J. Vanella
8 Administrative Law Judge
9

10 Transmitted electronically to:

11 Evan G. Daniels,
12 Department of Insurance and Financial Institutions - Insurance
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