

1 By: Franklin-Lord, Inc., et al. Respondent was a named party in
2 the Order.

3 3. On or about December 21, 1994, based on allegations
4 set forth in the July 5, 1994 Notice, Respondent entered into a
5 Consent Order with the Corporation Commission.

6 4. In the Consent Order the Corporation Commission
7 concluded as a matter of law that Respondent acted as a
8 securities salesman in Arizona although he had not registered as
9 such in violation of A.R.S. § 44-1842 and participated in a
10 scheme or artifice to defraud in violation of A.R.S. § 44-1991(1).

11 5. Respondent was ordered to Cease and Desist from
12 violations of the Securities Act.

13 6. Respondent was further ordered to pay an
14 administrative penalty of \$20,000 with \$5,000 paid upon entry of
15 the Consent Order and the balance in monthly installments of
16 \$500.00 per month, commencing February 1, 1995.

17 7. Respondent was further ordered to disgorge profits
18 to be determined by an accounting and to disgorge \$36,000
19 received in consulting fees.

20 8. To date Respondent has not paid the administrative
21 penalty nor has he disgorged his profits and consulting fee as
22 ordered.

23 CONCLUSIONS OF LAW

24 1. The Director has jurisdiction over this matter.

25 2. The above Findings of Fact constitute Conclusions
26 of Law as applicable.

1 3. Respondent's conduct described above constitutes a
2 record of dishonesty in business or financial matters under
3 A.R.S. § 20-290(B)(2).

4 4. Respondent's conduct described above constitutes
5 the existence of any cause for which original issuance or any
6 renewal of an insurance license could have been refused such that
7 Respondent's licenses may be suspended or revoked pursuant to
8 A.R.S. §§ 20-316(A)(1), together with 20-290(B)(2).

9 5. Grounds exist for the Director to suspend, revoke
10 or refuse to renew Respondent's insurance licenses, impose a
11 civil penalty upon Respondent, and/or order restitution, pursuant
12 to A.R.S. § 20-316(A) and 20-316(C).

13 ORDER

14 NOW, THEREFORE, IT IS ORDERED:

15 1. All insurance licenses held by George E. Looschen,
16 Jr., dba Franklin Lord Insurance & Financial Services Inc., be
17 suspended for one year upon entry of this Consent Order.

18 2. No expired insurance license held by George E.
19 Looschen, Jr., dba Franklin Lord Insurance & Financial Services
20 Inc., shall be renewed by George E. Looschen, Jr., between entry
21 of this Consent Order and April 1, 1996.

22 3. Within 30 days of this Order, George E. Looschen,
23 Jr. shall pay a civil penalty in the sum of \$500.00 to the
24 Arizona Department of Insurance.

25 4. The hearing set for November 20, 1995 at 9:00 a.m.
26 is vacated by entry of this Order.

1 DATED in Phoenix, Arizona this 21st day of November,
2 1995.

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4 _____
5 CHRIS HERSTAM, Director
6 Arizona Department of Insurance

7 CONSENT TO ORDER

8 1. The undersigned acknowledges that he has read the
9 foregoing Findings of Fact, Conclusions of Law and Order and is
10 aware of the right to an administrative hearing in this matter
11 and waives same.

12 2. The undersigned admits the jurisdiction of the
13 Director, admits paragraph 1 of the foregoing Findings of Fact,
14 neither admits nor denies the remaining foregoing Findings of
15 Fact, and consents to the foregoing Conclusions of Law and
16 Order.

17 3. The undersigned states that no promises were made
18 to him to induce him to enter into this Consent Order and
19 declares that he has entered into this Consent Order
20 voluntarily.

21 4. The undersigned acknowledges that acceptance of
22 this Consent Order is for the purpose of ^{fully 888 JEL} settling this
23 litigation as against George E. Looschen, Jr., dba Franklin
24 Lord Insurance & Financial Services, Inc., and does not
25 preclude the Department, or any other agency or officer of this
26 State, or subdivision thereof, from instituting other civil or
criminal proceedings as may be appropriate now or in the future.

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5. The undersigned waives all rights to challenge these Findings of Fact, Conclusions of Law and Order on appeal or otherwise, and agrees to be bound by the foregoing Order.

Date: 11-20-95


George E. Looschen, Jr.

COPY of the foregoing mailed this 21st day of November, 1995, to:

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