



1           3.    The examination covered RAI's accounts for the  
2 period from October 1, 1991 through September 30, 1992 inclusive.  
3 A final report of the examination was approved and filed by the  
4 division in accordance with AS 21.06.150 on November 3, 1993  
5 through Order No. FE93-14.

6           4.    The examination report reflects violations of the  
7 insurance code and regulations adopted thereunder by RAI,  
8 primarily relating to the existence of insufficient funds in the  
9 premium trust account. A \$19,626.00 deficiency to the trust  
10 account was noted. Based on those violations, this enforcement  
11 action was commenced by the division seeking assessment of an  
12 appropriate civil penalty and the deposit of sufficient funds into  
13 the trust account so that RAI and Mr. Gho are no longer in  
14 violation of AS 21.27.360.

15           5.    In his Request for a Hearing and Notice of Defense  
16 in this matter, Mr. Gho admitted to the allegations in the  
17 Statement of Accusation.

18  
19 Stipulation

20           The division, RAI and Mr. Gho agree to the following  
21 terms in settlement of this matter:

22           6.    RAI admits to the above trust account deficiency and  
23 to violations of AS 21.27.350, 21.27.360, 3 AAC 23.520, 3 AAC  
24 23.530, and 3 AAC 23.630 as alleged in the Statement of  
25 Accusation.

26           7.    Mr. Gho admits to the above trust account deficiency

DEPARTMENT OF LAW  
OFFICE OF THE ATTORNEY GENERAL  
ANCHORAGE BRANCH  
1031 W. FOURTH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 269-5100

1 and to violations of AS 21.27.350, 21.27.360, 3 AAC 23.520, 3 AAC  
2 23.530, and 3 AAC 23.630 as alleged in the Statement of  
3 Accusation.

4 8. RAI and Mr. Gho agree to a joint and several fine  
5 for these violations in the total amount of \$5,000, with \$2,000  
6 suspended on condition that neither RAI nor Mr. Gho violate Alaska  
7 insurance laws for three years from the date this Stipulated  
8 Agreement and Order is signed by the director. The remaining  
9 \$3,000 shall be paid to the division upon RAI and Mr. Gho signing  
10 this document and returning it to the division.

11  
12 DATED: 4/20/94 By: BRUCE M. BOTELHO  
13 ATTORNEY GENERAL  
14 David G. Stebing  
15 Assistant Attorney General  
16 DATED: 4/11/94 Mario O. Gho  
17 Mario O. Gho, Individually  
18 DATED: 4/11/94 Mario O. Gho  
19 Rural Alaska Insurance Agency,  
20 Inc., Mario O. Gho

21 RECOMMENDED FOR APPROVAL

22 This Stipulated Agreement and Order is recommended for  
23 approval by the Director of Insurance this 27<sup>th</sup> day of April,  
24 1994.

25 Frank Flavin  
26 Hearing Officer

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

ORDER

IT IS ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the issues in this case, and shall constitute the final order in this matter.

DATED this 27<sup>th</sup> day of April, 1994.

*Helma S. Walker, Deputy Director*  
for David J. Walsh  
Director of Insurance  
State of Alaska

DEPARTMENT OF LAW  
OFFICE OF THE ATTORNEY GENERAL  
ANCHORAGE BRANCH  
1031 W. FOURTH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 269-5100

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

STATE OF ALASKA  
DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE

In the Matter of: )  
)  
RURAL ALASKA INSURANCE AGENCY, INC.)  
)  
Respondent. )  
\_\_\_\_\_ )

Case No. D94-03

STATEMENT OF ACCUSATION

David J. Walsh, Director, Division of Insurance (Division), Department of Commerce and Economic Development, State of Alaska, states and alleges as follows:

1. Rural Alaska Insurance Agency, Inc. (RAI) is a licensed insurance producer firm operating in the State of Alaska under firm license no. 8293 . The principal of RAI is Mario O. Gho (Mr. Gho), operating in the State of Alaska under insurance license no. 3521.

2. In or about September and October of 1992, Wong & Associates, Inc., on behalf of the Division, performed an examination of the fiduciary accounts and records of RAI to assist the Division in determining compliance with AS 21.27.350, 21.27.360, and 3 AAC 23.500 -- 3 AAC 23.730.

3. Wong & Associates, Inc. submitted its report, dated July 6, 1993, on the RAI fiduciary accounts for the period of October 1, 1991 through September 30,

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

1992. Based on that report, examination report no. FE93-14, proposed for official filing, was issued by the Division to the Director on September 15, 1993.

4. On November 3, 1993, under Order no. FE93-14, the Deputy Director for the Director officially approved for filing the report on the RAI trust account examination, in accordance with AS 21.06.150.

5. On July 1, 1992, substantial revisions to the Alaska insurance code (AS 21) went into effect. The above-referenced examination covers periods before and after July 1, 1992; however, since most of the covered period was prior to July 1, 1992, the more permissive statute that was in effect prior to July 1, 1992 will be applied.

COUNT I

6. The Director realleges paragraphs 1 through 5.

7. RAI and Mr. Gho individually have violated 3 AAC 23.520, 3 AAC 23.530, AS 21.27.350, and 21.27.360 by failing to account adequately for trust money held in the firm's possession and failing to maintain detailed premium trust account records.

8. For violating 3 AAC 23.520, 3 AAC 23.530, AS 21.27.350, and 21.27.360, RAI and Mr. Gho should be assessed a civil penalty of \$2,500 for each violation, as provided in AS 21.27.440.

COUNT II

9. The Director realleges paragraphs 1 through 8.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

10. RAI and Mr. Gho have violated 3 AAC 23.630 and AS 21.27.360 in that, using the general ledger balance of RAI as of August 31, 1992, the firm premium trust account showed a deficiency of \$19,626.

11. For violating 3 AAC 23.630 and AS 21.27.360, RAI and Mr. Gho should be assessed a civil penalty of \$2,500 for each violation, as provided in AS 21.27.440 and, further, should be required to deposit sufficient funds into the premium trust account so that RAI and Mr. Gho are no longer in violation of AS 21.27.360 by having a deficiency in the trust account.

DATED this 21<sup>st</sup> day of January, 1994 at Anchorage, Alaska.

DAVID J. WALSH  
Director  
Division of Insurance

By Thelma Snow Walker  
Thelma Snow Walker  
Deputy Director

ACCRAIAI.PBK