



COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE

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JOSEPH G. MURPHY
COMMISSIONER OF INSURANCE

Division of Insurance, Petitioner
v.
Pravit Vincent Chanthalangsy, Respondent

Docket No. E2012-04

Order and Decision on Petitioner's Motion for Summary Decision

Introduction and Procedural History

On September 27, 2012, the Division of Insurance (“the Division”) filed an Order to Show Cause (“OTSC”) against Pravit Vincent Chanthalangsy (“Chanthalangsy”), a licensed Massachusetts non-resident individual insurance producer. The Division alleges that Chanthalangsy violated several sections of Massachusetts General Laws Chapter 175 (“Chapter 175”). The Division alleges that he four times violated Chapter 175, § 162V(a) (“§ 162V(a)”) because he did not report administrative actions taken against him by Wisconsin, South Dakota, Washington and California. It further asserts that because each of these violations of § 162V(a) constituted a violation of an insurance law, that Chanthalangsy thereby four times violated Chapter 175, § 162R(a)(2) (“§ 162R(a)(2)”). In addition, the Division also alleges that he four times “violated” Chapter 175, § 162R(a)(9) (“§ 162R(a)(9)”) because Wisconsin and South Dakota denied his applications for an insurance license and Washington and California revoked his insurance licenses. The Division seeks the revocation of all Chanthalangsy’s Massachusetts insurance licenses and maximum civil penalties pursuant to Chapter 175, § 194 (“§ 194”) and Massachusetts General Laws Chapter 176D, § 7 (“§ 7”).

A Notice of Procedure (“Notice”), issued on September 27, 2012, informed Chanthalangsy that a prehearing conference would take place on October 26, 2012, and a hearing

on the OTSC would be held on November 20, 2012. It also notified Chanthalangsy that the hearing would be conducted pursuant to Massachusetts General Laws Chapter 30A and the Formal Rules of the Standard Adjudicatory Rules of Practice and Procedure, 801 CMR 1.01, *et seq.* The Notice advised Chanthalangsy to file an answer to the OTSC within 21 days of its receipt and that, if he failed to do so, the Division might move for an order of default, summary decision or decision on the pleadings, granting it the relief requested in the OTSC. It further notified Chanthalangsy that failure to appear at the prehearing conference or hearing could mean that an order of default, summary decision or decision on the pleadings might be entered against him.

The Division sent the Notice and OTSC to Chanthalangsy by certified mail and first-class mail at two addresses shown in the Division's licensing records: 6221 North West Lane, Stockton, California 95210 (business and mailing address) and 9105 Barbaresco Circle, Stockton, California 95212 (residential address). The certified mailings were not returned to the Division. The first-class mail to Chanthalangsy's business and mailing address was returned as not deliverable as addressed, unable to forward. While the first-class mail to Chanthalangsy's residential address was returned to the Division as being a wrong address, with forwarding time expired, it did state a new address for Chanthalangsy of 4451 Dorset Street, Stockton, California 95207-7436. Attorney Thompson consulted the Division records and the 4451 Dorset Street address indeed was now listed as Chanthalangsy's mailing address.

The Division sent the Notice and OTSC to Chanthalangsy at the 4451 Dorset Street address by certified mail and first-class mail. The first-class mail was not returned; the return receipt card for the certified mail indicated that "S. Chanthalangsy" had accepted and signed for the mail on October 12, 2012. Chanthalangsy has failed to file an answer or other response to the OTSC since that time.

A prehearing conference was held pursuant to 801 CMR 1.01(10)(a) on October 26, 2012. Mary Ellen Thompson, Esq., appeared for the Division. Chanthalangsy did not attend the prehearing conference, nor did any person representing him. Attorney Thompson reported that the Division had received no communication from Chanthalangsy or from any person purporting to represent him.

Following the prehearing conference, the Division, pursuant to 801 CMR 1.01(7)(h), filed a written motion for summary decision (the "Motion") on October 31, 2012. The Division sent the Motion to Chanthalangsy at the 4451 Dorset Street address by certified mail and first-class mail. The return receipt card for the certified mail indicated that "S. Chanthalangsy" had accepted and signed for the mail on November 5, 2012.

On October 31, 2012, I issued an order that advised Chanthalangsy to file any response to the Motion by November 16, 2012, and informed him that argument on the Motion would be heard on November 20, 2012, the time initially set for the evidentiary hearing.

Chanthalangsy filed no response to the Division's motion and did not appear at the November 20 hearing. At that hearing, Attorney Thompson stated that neither Chanthalangsy nor any person purporting to represent him had communicated with the Division.

Finding of Default

The Division took appropriate actions to ensure proper service, and sufficient service was made. Chanthalangsy's failure to answer the OTSC or to respond to the Division's motion, and his failure to appear at the prehearing conference or at the hearing on the motion, warrant finding that he is in default. By his default, Chanthalangsy has waived his right to proceed further with an evidentiary hearing and I may consider the motion for summary decision based solely upon the OTSC and the exhibits attached to it. No genuine issue of fact has been raised in connection with the Division's claims, and I find that it is entitled to prevail as a matter of law.

Findings of Fact

On the basis of the record, consisting of the OTSC and the exhibits attached to it, I find the following facts.

1. Chanthalangsy first was licensed as a Massachusetts non-resident individual insurance producer pursuant to Chapter 175, § 162H *et seq.* effective January 8, 2010.
2. By letter dated March 31, 2010, the Wisconsin Department of Insurance denied Chanthalangsy's Wisconsin license application ("Wisconsin Administrative Action").
3. Chanthalangsy never notified the Division of the Wisconsin Administrative Action.
4. By letter dated May 14, 2010, the South Dakota Department of Insurance denied Chanthalangsy's application for a South Dakota license ("South Dakota Administrative Action").
5. Chanthalangsy never notified the Division of the South Dakota Administrative Action.

6. Effective December 5, 2010, the Washington Department of Insurance revoked Chanthalangsy's Washington insurance license ("Washington Administrative Action").

7. Chanthalangsy never notified the Division of the Washington Administrative Action.

8. By Order dated July 26, 2011, the State of California Department of Insurance revoked Chanthalangsy's California insurance license ("California Administrative Action").

9. Chanthalangsy never notified the Division of the California Administrative Action.

Analysis and Conclusions of Law

10. Chanthalangsy violated § 162V(a) four separate times; by failing to report to the Division the Wisconsin, South Dakota, Washington and California Administrative Actions within 30 days of final disposition.

11. Each of Chanthalangsy's four failures to report administrative actions to the Division, in violation of § 162V(a), constitutes an independent basis under § 162R(a)(2) for disciplinary action against him, because in each instance he thereby violated a Massachusetts insurance law.

12. Having his insurance license applications denied by Wisconsin and South Dakota and his insurance licenses revoked by Washington and California constitute four independent grounds under § 162R(a)(9) for disciplinary action against Chanthalangsy.

13. None of the denials of Chanthalangsy's Wisconsin and South Carolina license applications and revocations of Chanthalangsy's Washington and California insurance licenses constitutes a "violation" by Chanthalangsy of an insurance law. These events are the result of the *application* of the insurance licensing law or regulations of those states. I therefore find no "violation" by Chanthalangsy of § 162R(a)(9) on the basis of any of these events.¹

Discipline

Section 162R(a) authorizes the Commissioner to place an insurance producer on probation, to suspend or revoke a producer's license, or to levy on him or her a civil penalty in accordance with § 7, or to take any combination of these actions, for 14 enumerated reasons, including violating an insurance law, § 162R(a)(2), and having an insurance license application denied or a producer license revoked in another state, § 162R(a)(9).

¹ See Fifth, Sixth, Seventh and Eighth Claims in the OTSC.

Chanthalangsy violated the reporting requirements in § 162V(a) on four discrete occasions. Because each of Chanthalangsy's four violations of § 162V(a) constituted a violation of a Massachusetts insurance law, these actions rendered him liable under § 162R(a)(2) to license revocation and levy of civil penalties pursuant to § 7. Each of Chanthalangsy's violations of § 162V(a) is a serious offense that directly affects his eligibility and qualifications for a Massachusetts producer license. I find that Chanthalangsy's four violations of § 162V(a) constitute grounds for revoking his Massachusetts insurance licenses pursuant to § 162R(a)(2). For each of Chanthalangsy's reporting failures, I assess the maximum civil penalty under § 7 of \$1,000 for each insurance law violation. I assess no additional civil penalties under § 194 for Chanthalangsy's four violations of § 162V(a).

I find that the revoking of Chanthalangsy's California and Washington insurance licenses and the denials of Chanthalangsy's insurance license applications by Wisconsin and South Dakota constitute four independent reasons to revoke Chanthalangsy's Massachusetts insurance licenses pursuant to § 162R(a)(9). I assess no civil penalties pursuant to § 162R(a)(9).

ORDERS

After due notice, hearing and consideration, it is hereby ORDERED:

1. That Pravit Vincent Chanthalangsy shall cease and desist from the conduct complained of in the Order to Show Cause;
2. That any and all insurance producer licenses issued to Pravit Vincent Chanthalangsy by the Massachusetts Division of Insurance are hereby revoked;
3. That Pravit Vincent Chanthalangsy shall return to the Massachusetts Division of Insurance any licenses in his possession, custody or control;
4. That Pravit Vincent Chanthalangsy is, from the date of this order and decision, prohibited from directly or indirectly transacting any insurance business or acquiring, in any capacity whatsoever, any insurance business in the Commonwealth of Massachusetts;
5. That Pravit Vincent Chanthalangsy shall comply with the provisions of Massachusetts General Laws Chapter 175, §166B, and dispose of any and all interests in Massachusetts as proprietor, partner, stockholder, officer or employee of any licensed insurance producer; and

6. That Pravit Vincent Chanthalangsy shall pay to the Massachusetts Division of Insurance **within 30 days of the entry of this order and decision** a civil penalty for violations of Massachusetts General Laws Chapter 175, § 162V(a), of **Four Thousand Dollars (\$4,000)** pursuant to Massachusetts General Laws Chapter 175, § 162R(a)(2), and Massachusetts General Laws Chapter 176, § 7.

This decision has been filed this 22nd day of January 2013 in the office of the Massachusetts Commissioner of Insurance. A copy shall be sent to Pravit Vincent Chanthalangsy, 4451 Dorset Street, Stockton, California 95207-7436, by certified mail, return receipt requested, as well as by regular first class mail, postage prepaid.

Filed: January 22, 2013

Stephen M. Sumner, Esq.
Presiding Officer

This decision may be appealed to the Commissioner of Insurance pursuant to Massachusetts General Laws Chapter 26, § 7.