

**BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF MR.  
EUTHON O. "PAT" TOUNZEN, JR.,  
PRODUCER LICENSE NO. 287633**

A.I.D. NO. 2007- 027

**AGREED ORDER**

On this day is presented to the Hearing Officer appointed by the Insurance Commissioner ("Commissioner") to hear this matter a proposed agreement regarding Respondent, Euthon O. "Pat" Tounzen, Jr., an Arkansas resident, in an adversary matter now pending before the Commissioner. The parties have agreed that the matter should be settled and disposed of by this Agreed Order. This proceeding is before the Honorable Ronald A. Hope, Hearing Officer, appointed by the Commissioner for the purpose of the hearing and disposition of this matter. The Insurance Department ("Department") is represented by Robert Alexander, Associate Counsel, Legal Division; and the Respondent, Euthon O. "Pat" Tounzen, Jr., is represented by his attorneys, Dover Dixon Horne PLLC, through Allan W. Horne. From the Emergency Suspension and Cease and Desist Order ("Emergency Order") entered by the Commissioner on October 13, 2006, representations of counsel, and other matters appearing before the Hearing Officer, the Hearing Officer finds as follows:

1. The Commissioner has jurisdiction over the parties and subject matter of this case pursuant to *Ark. Code Ann.* § 23-61-103, § 23-63-201 *et. seq.* and § 23-64-501 *et. seq.*, §§ 25-15-201, *et seq.*, and other applicable laws or rules.

2. The Emergency Order (AID No. 2006-045) suspending the Respondent's Arkansas resident producer license(s) was issued pursuant to *Ark. Code Ann.* § 23-64-216(e) and *Ark. Code Ann.* § 25-15-211(c) of the Arkansas Administrative Procedure Act, based upon evidence deemed by the Commissioner to be sufficient to support the issuance of the Emergency Order. In essence, the finding of the Commissioner in the Emergency Order was that the Respondent as an account executive converted to his own use records of his employer, Trinity Universal Insurance Company ("Trinity"), and other property and casualty insurers of the Unitrin Insurance Group (collectively, "Unitrin"). The underwriting records, which Respondent was employed to evaluate and process for policy issuance or denial, consisted of applications for insurance and related underwriting data and information submitted to Unitrin by insurance agents and producers appointed by Unitrin which the Respondent used to call and solicit business.

3. In his job as account executive for Unitrin, Respondent was routinely contacted by Arkansas resident insurance agents and producers accustomed to working with Unitrin, about potential customers' needs for specific insurance coverages. Respondent was thereby supplied with private information about such persons. It appears that when Respondent discontinued his employment with Unitrin, he retained applications that contained confidential business and personal information in his possession at that time and had received in his capacity as an account executive, including confidential and non-public information such as FEIN numbers, payroll figures, sales figures, employee names and dates of birth and employee driver's licenses. The retention of such information was done without the permission of Unitrin or the Unitrin insurance agents and producers of record, and without the permission or knowledge of the Arkansas insurance customers or potential insurance customers.

4. The Emergency Order was issued upon complaints made by Unitrin and by two unrelated licensed insurance agents and producers regarding three corporate insureds who had purchased commercial insurance policies from such Arkansas agents and producers. The Respondent admits that he retained copies of such records, the retention of such records was unauthorized, and he has expressed remorse for his mistake. He has represented to the Department that, at the request of Unitrin, all of such records were destroyed on or about September 7, 2006, and that he no longer retained any Unitrin records in his possession, other than general documents and records he had on hand before he delivered such documents to the Department subsequent to and in response to directions in the Emergency Order. The Respondent's use of such non-public information and records were in violation of *Ark. Code Ann.* § 23-64-512(a)(8).

5. The Department and the Respondent, in order to settle and dispose of this matter without an administrative proceeding, have agreed upon the imposition of the following sanctions or penalties:

(a) The Respondent's Arkansas resident producers license will be suspended for a period beginning October 13, 2006, and terminating on the date of this Order; and

(b) The Respondent will complete four (4) hours of qualified ethics training within 18 months from the date of the Emergency Order.

6. The Hearing Officer finds that the agreed sanctions set forth herein are fair and reasonable and should be adopted by the Commissioner.

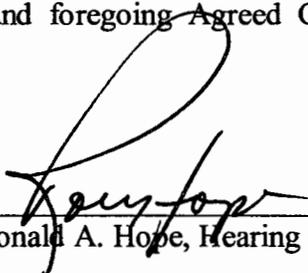
7. Upon Respondent's failure to comply with this Agreed Order, his resident Arkansas insurance producer licenses shall be subject to an administrative hearing before the Commissioner for disciplinary purposes as provided by law. As required by *Ark. Code Ann.*

§ 23-64-217, the Department shall notify in writing all of Respondent's appointing insurance companies, listed on Department records within the last year, about the terms of this Agreed Order.

DATED this 5 day of June, 2007.

### RECOMMENDATION

Based upon the foregoing findings and agreements, the Hearing Officer concludes and recommends to the Commissioner that the above and foregoing Agreed Order between the Department and Respondent should be approved.

  
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Ronald A. Hope, Hearing Officer

### CERTIFICATION

I, Julie Benafield Bowman, Insurance Commissioner for the State of Arkansas, do hereby certify that the above and foregoing Agreed Order was entered into by representatives of the Insurance Department and Ronald A. Hope, who was the duly appointed Hearing Officer for hearing and disposition of such matter. I hereby adopt the findings, agreements and recommendations, as set forth above, as my official action.

IT IS, THEREFORE, ORDERED that the above and foregoing Agreed Order between the Insurance Department Euthon O. "Pat" Tounzen, Jr., should be, and it is hereby, approved this 19th day of June, 2007.

  
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The Honorable Julie Benafield Bowman  
State Insurance Commissioner