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**FILED**

2017 FEB 21 P 4:38

February 21, 2017

Hearings Unit

Office of the Insurance Commissioner

PO BOX 4025

Olympia, WA 98504-0255

HEARINGS UNIT  
OFFICE OF  
INSURANCE COMMISSIONER

Re: Jacob Cobb – Demand for Hearing

Order No. 17-0005

WAOIC No. 829472

NPN 16923836

Hearings Department:

My client, Jacob Cobb, demands a hearing to appeal the Order Revoking License dated January 31, 2017 in the above captioned matter. He further demands that the hearing be assigned to an administrative law judge assigned under RCW 34.12.

Mr. Cobb is aggrieved by the investigation process and the resulting Order Revoking License. His insurance license is his sole means of income. Mr. Cobb and I further request that your office suspend the revocation of his insurance license pending the results of his appeal. According to the Notice of Your Right to a Hearing attachment to the Order, his license revocation will be automatically stayed if he demands a hearing by today's date.

Requesting Party: Jacob Cobb, PO BOX 447, Selah, WA 98942, (509) 910-8945.

Authorized Representative: Shane M. Silverthorn, attorney at law, 2 N. 1<sup>st</sup> Street, Selah, WA 98942

Mr. Cobb disputes the conclusion of the Order as he denies that he violated RCW 48.17.530(1)(h). Any actions he took regarding the purchase and assumption of Agent Jim Turner's Farmers Insurance business were done in good faith and with a true desire to purchase this business. He did not use any fraudulent, coercive, or dishonest practices, nor did he demonstrate incompetence, untrustworthiness, or financial irresponsibility in his conduct with Mr. Turner's office.

Mr. Cobb believes that the investigator was not willing to work fairly with him. Mr. Cobb supplied written documentation containing explanations of the period of time he and Mr. Turner were in negotiations to facilitate the sale of the business. Most of the information provided by Mr. Cobb to the investigator appears not to be included in any of the findings in the Order Revoking License.

I am enclosing with the letter an itemized reply to the allegations. We reserve the right to supplement this record during the discovery process of this appeal. The information is coordinated with the numbered paragraphs of the Order Revoking License.

**Issues and Arguments:**

1. The information is accurate. I sent my resignation to Farmers with my intent to sell my Maple Valley agency in June 2015. My resignation was ignored and a Termination was filed in December 2015 after I was not approved to purchase the Turner agency in Selah.
2. We were in negotiations and had come to a verbal agreement. A non-discloser was signed prior to negotiations. I do not have a copy of that agreement.
3. Jim Turner set dates and times for me to come in. During the 3 days I worked in the agency I began training Tracie (employee) on the SIMS system. On Oct 22<sup>nd</sup> Tracie asked me to work on home insurance quotes from an outdated paper file. At this point we had reached a verbal agreement to purchase the agency. I compiled lists to show Tracie how they can integrate with SIMS to auto quote hundreds/thousands of households at once.

**Below are email snippets:**

**Sent 10/17/2015 from Jim Turner**

"Thanks for the clarification. I believe that Tracie thought payroll was one of the things that was going to be brought up during the meeting. Do you have some free time on Wednesday? Just let me know what time you want to come in. If you would prefer to come in on a couple of different days we could do it on Wednesday and Thursday. How would Wednesday at 1 PM and Thursday at 10 AM work? Or one of you could come in one day and the other could come in on the other day."

**Sent 10/19/2017 from Jim turner**

"I was just contacted by Kyle. Candie and I are going to have lunch with him on Thursday at 11:30 AM. Please let me know if there is anything you want me to bring up during our meeting.

If you would both like to come to the office and start getting an idea of how we operate would it be possible for you to be here on Tuesday at 10 AM and Rachael to be here on Wednesday at 1 PM? I am changing the times due to our get together with Kyle on Thursday. Let me know what works for you.

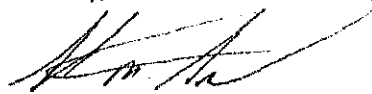
As neither of you are really working right now I would also be open to having you work in the office until the sale takes place if there is a way to do it without causing an issue with your District Manager or the Company. If there is a way to treat you like independent contractors and pay you a commission based on the business you write you will own the business as soon as the agency sale takes place without adding any cost to you for the agency purchase. The issues as I see them are potential E&O

Insurance and affiliation issues (Do you have to be affiliated with the agency and do you have to be affiliated with Farmers?)."

4. The statement is correct. I did not perform any individual home quotes for the reasons listed in #3.
5. I did create files for reasons listed in #3. I emailed them to myself for further review. Again, at this point we had a verbal agreement to purchase the agency and no reason to suspect otherwise. Part of that negotiation was full access to records for due diligence. The records I maintained were destroyed shortly after learning the acquisition was declined by Farmers. I wasn't "interrupted" in creating files and the statement implies malicious purpose for creating the records where no such purpose exists.
6. Again, at this point we had a verbal acquisition agreement and I was stepping into the day-to-day operations. I was given full access to the system as an administrator – presumably because I the incoming owner and required access to the system for due diligence and ownership transition. I did create files and send a copy electronically to myself. Per our non-compete I had full access to agency records for due diligence purposes – no limitation was set as to the form of records or how they were to be kept. All records were returned or destroyed when the acquisition fell through. Additionally, it is clear from the email excerpts above that Mr. Turner desired for me to work in the office and even earn commissions during the interim period before, what we assumed would be, approval by Farmers Insurance of the sale of Mr. Turner's business.
7. Oct 22<sup>nd</sup> was a hectic day. I was integrating into the day-to-day operation of the agency and for all intents and purposes would be working in the agency every day from then on out. When Laura "Candle" returned from her meeting she gave me the shocking news that the acquisition was declined. I did not mention the files or campaign because I was upset and in shock from the news. I did not delete any records or files from their computer. I continued to communicate with the Turners openly after the acquisition fell through and even notified them I was intending to work in the independent agency instead.
8. The files were deleted from my email account. The investigator Barry Walden, instructed me to retrieve the files from my Outlook Trash folder. I forwarded every email and file to him per his instructions. No files have been accessed or used from the day of their deletion. No data has been used in any fashion outside of our initial agreement and non-disclosure.
9. I did not intend to violate any RCW. The data collected was within the non-disclosure agreement and due diligence required to purchase an agency.

My client has not received the recordings of conversations/interviews that were created during this process. I am requesting copies of all electronic recordings, statements, emails, and documents in the Insurance Commissioner's files pertaining to this matter. Please deliver those to my office at the address above.

Sincerely,



Shane M. Silverthorn

Attorney at Law

WSBA 28223

STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER

*In The Matter of*

JACOB COBB,

Licensee.

ORDER NO. 17-0005

WAOIC NO. 829472  
NPN 16923836

ORDER REVOKING LICENSE

To: Jacob Cobb  
PO Box 447  
Selah WA 98942  
jacobcobb@outlook.com

**IT IS ORDERED AND YOU ARE HEREBY NOTIFIED** that your Washington State insurance producer license is **REVOKED**, effective **February 21, 2017**, pursuant to RCW 48.17.530.

**BASIS:**

1. Jacob Cobb ("the Licensee") is a Washington resident insurance producer, WAOIC No. 829472, first licensed March 26, 2013. Cobb's appointments with Farmers Insurance Company of Washington, Farmers Insurance Exchange, and Farmers New World Life Insurance Company ("Farmers") were effective March 31, 2014, and cancelled on December 2, 2015.

2. Cobb and his fiancée, Rachel Glaspie ("Glaspie"), were in negotiations to buy James F. Turner ("Turner")'s Farmers agency (James F. Turner Insurance Agency - WAOIC # 137310), in Selah, Washington. A verbal agreement had been reached for Glaspie to buy the agency with an effective date of November 18, 2015, subject to approval from Farmers. Turner and Cobb signed a non-disclosure agreement on August 27, 2015.

3. Cobb asked to come to Turner's agency for a couple of hours to see how the operation ran. Cobb came in on October 20, 2015, and again on October 21, 2015. On October 22, 2015, Cobb came to the office unannounced and offered to help out during the Turners' absence

ORDER REVOKING LICENSE  
ORDER NO. 17-0005

1

State of Washington  
Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

LA - 1314593 - 1

(they had a meeting with Farmers to discuss Cobb's purchase of their agency). Tracie Dumas ("Dumas"), Turner's producer, gave Cobb a list of people to work up some insurance quotes on. Cobb was seated at Laura Turner's computer work station and given access to her computer to work up the quotes.

4. After the Turners left for their meeting, with Cobb still working at the computer, Dumas left the office to get a fast lunch and returned to the office in about 15 minutes. Laura Turner returned to the office at about 1:00 p.m. She told Cobb that the sale was being stopped by Kyle Carlson (Farmers district manager), that she was not told why, and that Carlson would call Cobb and explain. When Cobb got up and started to leave, Dumas asked him how many quotes he had completed during the hour or so he was there and he said none.

5. A couple of days later it was discovered that on October 22, 2015, while in the office, Cobb had created a folder he named 2016 Marketing. He copied six customer reports consisting of the entire customer database to the 2016 Marketing folder, uploaded the folder to his Outlook email account, and deleted the folder. Cobb had made a seventh report containing the email addresses of the client database but was interrupted when Laura Turner returned from the meeting and he closed the file without saving it.

6. Cobb never requested or received permission from Turner or his employees to copy and email the database of client information to himself. In response to the OIC investigator's questions, Cobb said that he never intended to steal Turner's customer database. Cobb said that until he heard that the purchase of the Turner agency would not be permitted by Farmers, he thought that he and Glaspie were buying the agency. Cobb admitted that he copied Turner's customer database to a self-created folder that he named "2016 Marketing" and emailed it to himself with his outlook account.

7. Cobb asserted that his intent was to work on a campaign to get back customers after the purchase was completed the first month of 2016. He said that the database was just a list of names and phone numbers similar to a phone book, and alleged that he thought that it was unimportant at the time. However, Cobb never told Turner or his employees that he had copied the database, and instead attempted to delete the folder containing the database he copied.

8. Cobb provided the database obtained from Turner while he was being interviewed by OIC investigators, who reviewed the database and found that personal financial information,

including the amounts of consumers' annual insurance premiums paid, was included. This information is not publicly available information.

9. RCW 48.17.530(1)(h) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere. By copying another producer's customer database, and emailing it to his personal email account without the producer's knowledge or permission, the Licensee violated RCW 48.17.530(1)(h), justifying the revocation of his license.

**IT IS FURTHER ORDERED** that you return your insurance producer's license certificate to the Insurance Commissioner on or before the effective date of the revocation of your license, as required by RCW 48.17.530(4). Return your license to:

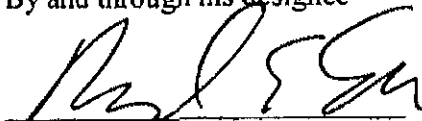
Licensing Manager  
Office of the Insurance Commissioner  
P. O. Box 40255  
Olympia, WA 98504-0255

ENTERED at Tumwater, Washington, this 31 day of January, 2017.



MIKE KREIDLER  
Insurance Commissioner

By and through his designee



DARRYL E. COLMAN  
Insurance Enforcement Specialist  
Legal Affairs Division

ORDER REVOKING LICENSE  
ORDER NO. 17-0005

LA - 1314593 - 1

3

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## **NOTICE OF YOUR RIGHT TO A HEARING**

If you are aggrieved by this Order Revoking License, you may demand a hearing in accordance with RCW 48.04.010, WAC 284-02-070, and WAC 10-08-110. Generally a hearing demand must be in writing and received within ninety (90) days after the date of this Order Revoking License, which is the day it was mailed to you, or you will waive your right to a hearing.

*If the Insurance Commissioner receives your demand for a hearing before the effective date listed on the order revoking your license, the revocation will be automatically stayed (postponed) and your license will remain in effect pending the hearing.*

You may fill out a demand for hearing form online at the following location:

[www.insurance.wa.gov/laws-rules/administrative-hearings/how-to-file/](http://www.insurance.wa.gov/laws-rules/administrative-hearings/how-to-file/)

Alternatively, if you choose to file by mail, your demand for hearing must briefly state how you are harmed by this decision and why you disagree with it, along with contact information (phone number, mailing address, e-mail address, etc.) for yourself and any representative that appears on your behalf. The demand may be sent to the following address:

Hearings Unit  
Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

You will be notified of the time and place of your hearing. If you have questions about filing a demand for hearing or the hearing process, please telephone the Hearings Unit at (360) 725-7002, or send an email to [HearingsU@oic.wa.gov](mailto:HearingsU@oic.wa.gov).

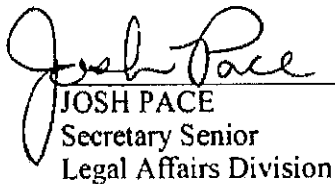
CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the state of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the state of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing Order Revoking License on the following individual by email and by depositing in the U.S. mail via state Consolidated Mail Service with proper postage affixed:

Jacob Cobb  
PO Box 447  
Selah WA 98942  
jacobcobb@outlook.com

Dated this 31<sup>st</sup> day of January, 2017, in Tumwater, Washington.

  
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JOSH PACE  
Secretary Senior  
Legal Affairs Division

ORDER REVOKING LICENSE  
ORDER NO. 17-0005

LA - 1314593 - 1

5

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