

**STATE OF NORTH DAKOTA**  
**BEFORE THE INSURANCE COMMISSIONER**

<b>In the Matter of</b>	)	<b>CEASE AND DESIST ORDER</b>
	)	<b>AND NOTICE OF</b>
<b>Scott Biggs,</b>	)	<b>OPPORTUNITY FOR HEARING</b>
<b>NPN 5740025,</b>	)	
	)	<b>CASE NO. AG-12-366</b>
<b>Respondent.</b>	)	

**TO: Scott L. Biggs, NPN 5740025, P.O. Box 1082, Dickinson, ND 58602-1082**

Insurance Commissioner Adam Hamm (“Commissioner”) has determined as follows:

1. N.D.C.C. § 26.1-01-03.1 authorizes the Commissioner to issue an Order to cease and desist when it appears that any person or business entity is or has engaged in an act or practice which violates or may lead to a violation of the North Dakota Century Code.
2. N.D.C.C. title 26.1 regulates the business of insurance and N.D.C.C. chapter 26.1-26 regulates the licensing of insurance producers. The Commissioner has authority in this matter pursuant to N.D.C.C. title 26.1.
3. Scott L. Biggs (“Respondent”), NPN 5740025, is presently and has been at all times pertinent to this action, a licensed North Dakota resident insurance producer.
4. N.D.C.C. § 26.1-26-15 states:

**26.1-26-15. License requirement – Character.** An applicant for any license under this chapter must be deemed by the commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation.
5. N.D.C.C. § 26.1-26-42 states, in part:

The commissioner may suspend, revoke, place on probation, or refuse to continue or refuse to issue any license issued

under this chapter if, after notice to the licensee and hearing, the commissioner finds as to the licensee any of the following conditions:

...

6. In the conduct of affairs under the license, the licensee has used fraudulent, coercive, or dishonest practices, or has shown oneself to be incompetent, untrustworthy, or financially irresponsible.

...

10. An improper withholding of, misappropriating of, or converting to one's own use any moneys belonging to policyholders, insurers, beneficiaries, or others received in the course of one's insurance business.

6. N.D. C.C. § 26.1-26-45.1 states, in part:

**26.1-26-45.1. Reporting of actions.**

1. An insurance producer shall report to the commissioner any administrative action taken against the insurance producer's license in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report must include a copy of the order, consent to order, or other relevant legal documents.

7. The Commissioner has a reasonable basis to believe that the Respondent has engaged in, is engaging in, or is about to engage in, an act or practice as more fully described below which violates or may lead to a violation of N.D.C.C. title 26.1. It is necessary and appropriate in the public interest and for the protection of insurance consumers to restrain these acts or practices of Respondent.

8. Respondent has held a North Dakota resident insurance producer license since June 21, 1982.

9. On May 30, 2012, a Criminal Complaint was filed against Respondent in District Court, Stark County, charging him with five counts of felony theft of property.

10. The Complaint alleges that Respondent took or exercised unauthorized

control over, or made an unauthorized transfer of an interest in, the property of another with the intent to deprive the owner thereof, or did knowingly obtain the property of another by deception or by threat with intent to deprive the owner thereof, or intentionally deprived another of his property by deception or threat, of an interest in money or assets exceeding \$10,000.

11. The Affidavit in support of the Criminal Complaint alleges that Respondent met J.D. in 2003 and entered into a business arrangement with him to provide business management and consultation services. Respondent began placing J.D.'s assets into various trust accounts. On September 11, 2009, without the knowledge of J.D., Respondent withdrew \$30,000 from one of the trust accounts set up on behalf of J.D. When J.D. attempted to withdraw money from the account, Respondent advised him that the IRS had frozen the trust accounts. J.D. requested that Respondent provide proof that the IRS had frozen the accounts, but Respondent refused to provide any such documentation.

12. The Affidavit in support of the Criminal Complaint also alleges that on September 14, 2009, Respondent issued two cashier's checks from a savings account that had been set up for J.D. for the purpose of the repayment of a loan owed to J.D. by two other individuals. The first check in the amount of \$23,552 was paid to a Chase credit card in Respondent's name and the other was issued in the amount of \$5,805 to Swiss America Trading Corporation which Respondent apparently used to purchase three gold coins.

13. Respondent's alleged conduct indicates that he is not competent, trustworthy, financially responsible, or of good personal or business reputation and that Respondent has used fraudulent, coercive, or dishonest practices, or has shown himself to be incompetent, untrustworthy, or financially irresponsible. These acts constitute violations or may lead to a violation of N.D.C.C §§ 26.1-26-15 and 26.1-26-42.

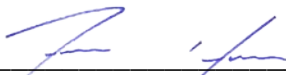
14. Pursuant to N.D.C.C. § 26.1-01-03.1, the Commissioner has the authority to order that a person cease and desist from violations of N.D.C.C. Title 26.1.

NOW, THEREFORE, IT IS HEREBY ORDERED pursuant to N.D.C.C. § 26.1-01-03.1 that Respondent, whether acting in the State of North Dakota as an insurer, a risk retention group, a purchasing group, an insurance producer, or otherwise engaging in the business of insurance, either directly or indirectly through named and unnamed persons, entities, agents, or otherwise, shall immediately **CEASE AND DESIST** from soliciting, transacting, or otherwise engaging in the business of insurance with residents of the State of North Dakota.

IT IS FURTHER ORDERED pursuant to N.D.C.C. § 26.1-01-03.1 that Respondent may make a written request for a hearing on this matter within 30 days of the date of this Order.

If the Respondent fails to request a hearing in writing within 30 days after being served with a copy of this Cease and Desist Order, the Commissioner shall make the Cease and Desist Order permanent, as the facts require.

DATED this 27<sup>th</sup> day of June, 2012



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Adam Hamm  
Commissioner  
N.D. Insurance Department  
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