STATE OF NORTH DAKOTA

BEFORE THE INSURANCE COMMISSIONER

In the Matter of	)	
	)	**CONSENT ORDER**
John Baltes,	)	
NPN 8964049,	)	**CASE NO. AG-14-492**
	)	
Respondent.	)	

TO: John Baltes, 121 East Water Street, Troy, OH 45373

Insurance Commissioner Adam Hamm ("Commissioner") has determined as follows:

1. As a result of information obtained by the North Dakota Insurance Department ("Department") regarding the conduct of John Baltes, NPN 8964049 ("Respondent"), the Commissioner has considered scheduling a formal hearing to determine whether Respondent's conduct as alleged constitutes a basis for imposition of a civil penalty or any other action the Commissioner deems necessary. As more fully described below, Respondent's conduct is alleged to be in violation of N.D.C.C. §§ 26.1-26-15, 26.1-26-20, and 26.1-26-42(1) and (12).

2. N.D.C.C. § 26.1-26-15 requires that an applicant for any license must be deemed by the Commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation.

3. N.D.C.C. § 26.1-26-20 states, in part, that:

> Unless denied licensure pursuant to this chapter, the commissioner shall issue a nonresident person a nonresident insurance producer license if:
>
> a. The person is currently licensed as a resident and is in good standing in the person's home state.

4. 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:

1. A materially untrue statement in the license application.

. . .

12. A violation of or noncompliance with any insurance laws of this state or a violation of or noncompliance with any lawful rules or order of the commissioner or of a commissioner of another state.

5. On or about April 8, 2014, Respondent applied for a nonresident insurance producer license and answered "no" to background question one which asks, "Have you ever been convicted of a misdemeanor, had a judgment withheld or deferred, or are you currently charged with committing a misdemeanor?" Respondent disclosed a 2003 Driving While Under the Influence conviction and a license was issued.

6. On or about May 7, 2014, the Department was notified by MetLife that Respondent's appointments with Metropolitan Property and Casualty Insurance Company and Metropolitan Group Property & Casualty Insurance Company had been terminated for cause effective May 2, 2014. The reason for the termination for cause was falsification of employment or licensing applications. Respondent answered "no" to questions specifically asking if he had any misdemeanor charges in the past when in fact he did. The State of Michigan did a background check and found a Domestic Violence charge on February 1, 1998. The Domestic Violence charge was not disclosed on the North Dakota application for a nonresident insurance producer license. Respondent's failure to disclose the 1998 Domestic Violence charge on the North Dakota application and the reasons for his termination for cause are violations of N.D.C.C. §§ 26.1-26-15 and 26.1-26-42(1) and (12).

7. According to information obtained by the Department, effective August 26, 2014, Respondent surrendered his resident insurance producer license in Ohio. Since Respondent no longer holds an active resident license from another state, he no longer qualifies to hold a nonresident license in this state and, therefore, is subject to license revocation pursuant to N.D.C.C. §§ 26.1-26-20.

8. Respondent's actions constitute violations of N.D.C.C. §§ 26.1-26-15, 26.1-26-20, and 26.1-26-42(1) and (12) and are grounds for revocation of Respondent's insurance producer license.

9. Respondent acknowledges that at the time of signing the Consent to Entry of Order, he was aware of or had been advised of the right to a hearing in this matter, to consult an attorney, to present argument to the Commissioner, to appeal from any adverse determination after a hearing, and Respondent expressly waives those rights.

10. Respondent has agreed to informal disposition of this matter, without a hearing, as provided under N.D.C.C. § 28-32-22.

11. For purposes of resolving this matter without further administrative proceedings, Respondent has agreed to enter into the following order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent's nonresident insurance producer license is hereby **REVOKED** effective upon the Commissioner's execution of this Order.

2. No administrative fine or other civil penalty is imposed.

3. The use of this Consent Order for competitive purposes by an insurance producer or agency holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority.

DATED at Bismarck, North Dakota, this 30th day of December, 2014.

Adam Hamm
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, **John Baltes**, states that he has read the foregoing Consent Order, that he knows and fully understands its contents and effect; that he has been advised of the

right to a hearing in this matter, the right to be represented by legal counsel, the right to present evidence and arguments to the Commissioner, and the right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order he waives those rights in their entirety, and consents to entry of this Order by the Commissioner. It is further expressly understood that this

Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either expressed or implied.

DATED this 29 day of November, 2014.

John Baltes

John Baltes

Subscribed and sworn to before me this 29 day of November, 2014.

Jennifer Lowe

Notary Public

County of Miami
State of Ohio

My commission expires: August 6, 2019

NOTARY PUBLIC STATE OF OHIO

JENNIFER LOWE
Notary Public, State of Ohio
My Commission Expires
August 6, 2019