

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

In the Matter of)	
)	CONSENT ORDER
Kellen Latendresse,)	
NPN 16130888,)	CASE NO. AG-14-472
)	
Respondent.)	

TO: Kellen Latendresse, 304 18th Avenue SW, Suite C, Minot, ND 58701

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 Kellen Latendresse, NPN 16130888 (“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. §§ 26.1-26-13.1, 26.1-26-15, 26.1-26-42(1), and 26.1-26-45.1(2).

2. N.D.C.C. § 26.1-26-13.1 states, in part:

An insurance producer may not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. An insurance producer who is not acting as an agent of an insurer is not required to become appointed.

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

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.
- ...
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.

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

Within thirty days after a criminal conviction, an insurance producer shall report to the commissioner any criminal conviction of the insurance producer taken in any jurisdiction. The report must include a copy of the initial complaint, the order issued by the court, and any other relevant legal documents.

6. On or about April 15, 2011, through May 15, 2011, Respondent was approached by Dennis Lyon with two separate performance bonds written for a large construction project for the Three Affiliated Tribes of the Fort Berthold Indian Reservation. The tribe required Dennis Lyon to have the signature of a licensed North Dakota insurance agent with a valid surety appointment to sign each of the bonds. The bonds were issued by OIC Marianas Insurance Company (OICM), which was founded by Dennis Lyon and is licensed to do business only in the Northern Marianas Islands. OICM is not licensed in North Dakota and the bonds were ultimately exposed as fraudulent bonds. Respondent signed the bonds and wrote "as agent of OIC" next to his signature on two separate occasions. Respondent did not have an appointment with OICM when he signed the bonds and did not receive a valid appointment after signing the bonds. After Respondent signed

the bonds, he was paid \$700 cash by Dennis Lyon to sign the performance bonds.

Respondent's actions of acting as an agent of an insurer without an appointment and participating in a fraudulent insurance act are in violation of N.D.C.C. §§ 26.1-26-13.1(1), 26.1-26-15, and 26.1-26-42(6) and are grounds for revocation of Respondent's insurance producer license.

7. Respondent has held a North Dakota nonresident individual insurance producer license since January 14, 2011. On or about April 1, 2013, Respondent submitted a renewal application and answered no to background question one which asks, "Have you ever been convicted of a crime, had a judgment withheld, or deferred, or are you currently charged with committing a crime?" A review of court records revealed a criminal conviction of Exceeds Daily Limit on Snow Geese in 2013. On or about March 3, 2014, Respondent submitted an application to add the variable line of authority to his existing license and again answered "no" to background question one regarding criminal convictions. Respondent failed to timely report the 2013 conviction to the Department within 30 days. Respondent's conduct of not disclosing the criminal conviction on either application and failing to timely report the 2013 conviction is a violation of N.D.C.C. §§ 26.1-26-42(1) and 26.1-26-45.1 and grounds for revocation of Respondent's insurance producer license.

8. 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.

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

10. 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:

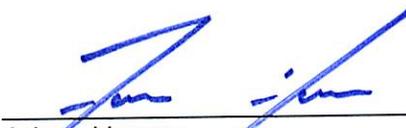
1. Respondent agrees to issuance by the Commissioner of a conditional license for a period of five years.

2. Respondent agrees to pay a fine in the amount of \$5,700 payable by money order, cashier's check, or credit card to the North Dakota Insurance Department within 60 business days of the effective date of this Order.

3. Further, the Department may, during the five-year conditional license period, revoke, suspend, or take such further action as may be deemed necessary against Respondent's insurance license without Notice of Hearing or the issuance of a Complaint if the Department receives a complaint from any source against the Respondent and after investigation of the merits of said complaint, notifies the Respondent that he has, in the Commissioner's opinion, violated the laws of the State of North Dakota. Respondent further agrees that any action taken against his license or in furtherance of this action is not appealable.

4. The use of this Consent Order for competitive purposes by an insurance agent 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 28th day of JULY, 2014.

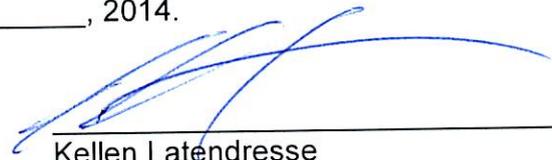


Adam Hamm
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

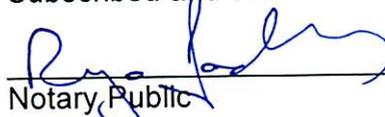
The undersigned, **Kellan Latendresse**, states that he has read the foregoing Consent Order, that he knows and fully understands its contents and effect; that he has been advised of the right to a hearing in this matter, the right to be represented by legal counsel, the right to present evidence and 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 knowingly and voluntarily 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 22 day of July, 2014.



Kellen Latendresse

Subscribed and sworn to before me this 22nd day of July, 2014.



Notary Public

County of Ward
State of North Dakota

My commission expires:

RYAN SANDBERG
Notary Public
State of North Dakota
My Commission Expires Sept. 1, 2016