

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

**In the Matter of**

**Leo McGruder,  
NPN 17061198,**

**Respondent.**

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**CONSENT ORDER**  
**CASE NO. AG-14-479**

**TO: Leo McGruder, 3612 South Farm Road 135, Apt. B, Springfield, MO 65807**

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 Leo McGruder, NPN 17061198 (“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 and 26.1-26-42(1).

2. 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.

3. 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.

4. Respondent has held a North Dakota nonresident individual insurance producer license since September 19, 2013. On the initial application, Respondent 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?” On or about June 12, 2014, Respondent notified the Department that background question one was answered incorrectly on the application and should have been answered “yes”. Respondent plead guilty to Unlawful Use of Drug Paraphernalia in 2007 and provided documentation to support the conviction. Respondent’s failure to disclose the criminal conviction on the initial license application is in violation of N.D.C.C. §§ 26.1-26-15 and 26.1-26-42(1).

5. 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.

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

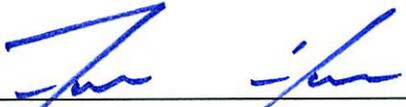
7. For purposes of resolving this matter without further administrative proceedings, Respondent has agreed to enter into the following order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent agrees to pay a fine in the amount of \$200 payable by money order, cashier's check, or credit card to the North Dakota Insurance Department within 20 days of the effective date of this Order.

2. 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 3<sup>rd</sup> day of September, 2014.

  
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Adam Hamm  
Insurance Commissioner  
State of North Dakota

#### CONSENT TO ENTRY OF ORDER

The undersigned, **Leo McGruder**, 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 28 day of August, 2014.

  
Leo McGruder

Subscribed and sworn to before me this 28 day of August, 2014.

  
Notary Public

County of Greene  
State of Missouri

My commission expires: 7/14/2018

