

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)	
)	CONSENT ORDER
Michael J. Stephenson,)	
NPN 37491,)	CASE NO. AG-15-541
)	
Respondent.)	

TO: Michael J. Stephenson, 1140 Sixth Street SE, Apt. 4, Valley City, ND 58072

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 Michael J. Stephenson, NPN 37491 ("Respondent"), an individual who has held a North Dakota insurance producer license at all times relevant to this proceeding, the Commissioner has begun administrative proceedings regarding Respondent's conduct as alleged below and regarding the imposition of a civil penalty or any other action the Commissioner deems necessary. Respondent's conduct is alleged to be in violation of N.D.C.C. §§ 26.1-26-15 and 26.1-26-42(6), (12) and (18) and N.D. Admin. Code § 45-02-02-14.1.

2. Employees of the North Dakota Insurance Department ("Department") have investigated the activities of Respondent, including conducting witness interviews and reviewing paper documentation pertaining to the Department's investigation.

3. N.D.C.C. § 26.1-26-15 states:

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.

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:

...

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.

...

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

...

18. The applicant or licensee knowingly fails to pay state income tax or comply with a court order directing payment of state income tax.

5. N.D. Admin. Code § 45-02-02-14.1 states:

A licensed insurance producer or consultant may not solicit or accept a loan from an individual with whom the insurance producer or consultant came into contact in the course of the person's insurance business, or sold an insurance policy to, within the past ten years. This does not prohibit a licensed insurance producer or consultant from accepting loans from financial institutions; immediate family members, which shall mean only a spouse, parents, siblings, and children; or other loans upon the prior written approval of the insurance commissioner.

6. The Commissioner has come into information that alleges Respondent accepted a loan in the amount of \$4,000 from R.J., an individual whom Respondent came into contact with in the course of his insurance business and to whom Respondent sold insurance policies to within the past 10 years. R.J. was not Respondent's immediate family member and he did not obtain prior written approval from the Commissioner allowing him to accept the loan.

7. The Commissioner has come into information that alleges Respondent knowingly failed to pay state income tax. The Commissioner has confirmed that Respondent has two state income tax liens against him for unpaid income tax liabilities. Respondent also has a significant tax liability with the Internal Revenue Service. Respondent has admitted that he is on a payment plan with the Internal Revenue Service but is behind in payments.

8. Respondent's action of accepting a loan from an insurance client constitute violations of N.D.C.C. §§ 26.1-26-15 and 26.1-26-42(6) and (12) and N.D. Admin. Code § 45-02-02-14.1 and are grounds for revocation of Respondent's individual insurance producer license.

9. Respondent's actions in failing to pay state income tax and federal income tax are violations of §§ 26.1-26-15 and 26.1-26-42(6), (12) and (18) and are grounds for revocation of Respondent's individual insurance producer license.

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, Michael J. Stephenson has agreed to enter into the following order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent's individual resident 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 8th day of June, 2015.



Adam Hamm
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

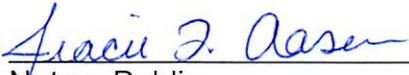
The undersigned, **Michael J. Stephenson**, states that he has read the foregoing Consent Order, that he knows and fully understands its contents and effect; that he has been advised of the right to a hearing in this matter, the right to be represented by legal counsel, the right to present evidence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

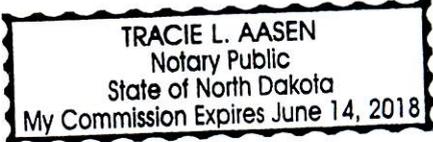
DATED this 4th day of ~~May~~^{June}, 2015.


Michael J. Stephenson

Subscribed and sworn to before me this 4th day of ~~May~~^{June}, 2015.


Notary Public

County of Cass
State of North Dakota



My commission expires: