

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)	
)	ORDER REVOKING LICENSE
Scott Parizek,)	
NPN 17269663,)	CASE NO. AG-15-550
)	
Respondent.)	

TO: Scott Parizek, 103 Eighth Avenue SE, Minot, ND 58702

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

1. The Commissioner has authority in this matter pursuant to N.D.C.C. § 26.1-26-15, which states:

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.

2. Scott Parizek, NPN 17269663 (hereinafter "Respondent"), holds a North Dakota resident insurance producer license issued under N.D.C.C. ch. 26.1-26. Respondent has been licensed since May 16, 2014.

3. N.D.C.C. § 26.1-26-42 states, in part:

26.1-26-42. License suspension, revocation, or refusal – Grounds. 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:

...

5. The applicant or licensee has been convicted of a felony or convicted of an offense, as defined by section 12.1-01-04, determined by the commissioner to have a direct bearing upon a person's ability to serve the public as an insurance producer, insurance consultant, or surplus lines insurance producer, or the commissioner finds, after conviction of an offense, that the person is not sufficiently rehabilitated under section 12.1-33-02.1.

...

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.

4. Respondent applied for a North Dakota resident insurance producer license in March 2014. In that application he answered "yes" to background question one regarding whether he had ever been convicted of a crime and provided information relating to criminal convictions for controlled substances two times in 2009, two times in 2010, and 2011.

5. Based on the criminal convictions disclosed on Respondent's application, the Commissioner determined that Respondent would be offered the opportunity to agree to a conditional license. On May 6, 2014, a Conditional License Agreement was mailed to Respondent stating, in part:

Notwithstanding criminal convictions, the Department will agree to offer you a conditional license. In consideration of your execution of this agreement and in consideration of the Department agreeing not to deny a license to you, the Department will issue a resident individual insurance producer license with the following conditions:

1. You agree to the issuance of a conditional license with a probationary period to run 60 months, plus 61 days from the date of issuance of the conditional license.
 - a. After expiration of 60 months, the license will remain conditional for 61 days, allowing the Department to check court records and determine whether you completed probation successfully; and
 - b. If, at the end of the probationary period plus 61 days, there is no cause to terminate the license and you have fully complied with all the terms of this agreement you will be issued an unrestricted license.
2. You agree, that during the time of this probation and at all times after, you will fully comply with all the laws of the state, all lawful orders of the Insurance Commissioner, all the terms of this agreement and the terms of any other agreement you enter with the Commissioner.
3. You agree, during the time of the probation, you shall report to the Department within three business days after an action to collect money or a criminal charge is filed, any further collection action, criminal charge, or criminal conviction in any jurisdiction except for minor traffic offenses.
4. You may not handle funds in any insurance-related employment. During the time of your probation, you must notify the Department within three business days if you leave your current employment.
5. You must notify the Department within three business days of any checks you write that are returned for insufficient funds, whether or not it results in a criminal charge.

6. You agree that without notice, issuance of a complaint or a hearing, the Department may revoke, suspend, or take such further action against the license as may be deemed necessary, and in the sole discretion of the commissioner, if:
 - a. The Department learns that you have violated any of the terms of this agreement;
 - b. The Department receives information that you have had a collection action initiated against you or you have been charged with a crime or convicted of a crime at any time which resulted from a charge that was filed during the probationary period; or
 - c. The Department receives a complaint from any source against you and after investigation of the merits of the charge, conviction, or complaint and after you have been afforded the opportunity to respond in writing, and after review of other factual information necessary, in the sole discretion of the Commissioner, the Commissioner concludes that you violated the laws of the State of North Dakota or used fraudulent, coercive, or dishonest practices or are incompetent, untrustworthy, or financially irresponsible. By entering into this agreement, you agree that the Department's analysis and final decision regarding the merits of any allegations made is final and you agree to hereby waive any right you may have to appeal or otherwise contest this decision.

Respondent returned the letter with his notarized signature agreeing to the conditions set out in the Conditional License Agreement on or about May 8, 2014. The

Commissioner issued a license to Respondent on May 16, 2014. A copy of the signed agreement is attached to this Order as Exhibit 1.

6. On or about July 2, 2015, the Department received a letter from Respondent wherein he informed the Department that he “got into a little bit of trouble” and was “jailed for 5 1/2 months.” A search of North Dakota court records shows that on May 18, 2015, Respondent pled guilty to a Class B misdemeanor charge of Possession of Marijuana. North Dakota court records also show that on or about June 26, 2015, Respondent pled guilty to Class C felony charges of Possession of a Controlled Substance (Oxycodone), Possession of a Controlled Substance (Alprazolam), Possession of Drug Paraphernalia, and Preventing Arrest or Discharge of Other Duties.

7. Respondent agreed by signing the Conditional License Agreement that he would report to the Department within three business days after a criminal charge is filed. Respondent also agreed by signing the Conditional License Agreement that the Department may revoke his license if he was charged with a crime or convicted of a crime at any time which resulted from a charge that was filed during the probationary period. Respondent’s Possession of Marijuana, Possession of a Controlled Substance (Oxycodone), Possession of a Controlled Substance (Alprazolam), Possession of Drug Paraphernalia, and Preventing Arrest or Discharge of Other Duties convictions and his failure to report the convictions within three days are violations of the terms of the License Agreement for which the Commissioner may revoke Respondent’s license.

NOW, THEREFORE, IT IS HEREBY ORDERED that Respondent having agreed to revocation of his license if the Department receives information that he had been charged with a crime or convicted of a crime at any time which resulted from a charge

that was filed during the probationary period; and the Commissioner having concluded that Respondent violated the laws of the State of North Dakota and the terms of his Conditional License Agreement; and in accordance with the terms of the Conditional License Agreement signed by Respondent, Respondent's North Dakota resident insurance producer license is hereby **REVOKED**.

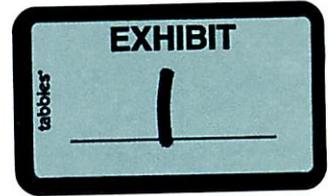
This order is effective this 23rd day of July, 2015.



Adam Hamm
Commissioner
North Dakota Insurance Department
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505
(701) 328-2440



North Dakota
Insurance Department
Adam W. Hamm, Commissioner



May 6, 2014

Mr. Scott Parizek
103 Eighth Avenue SE
Minot, ND 58702

RE: Conditional License Agreement

Dear Mr. Parizek:

The North Dakota Insurance Department has recently concluded its evaluation of your application received on March 13, 2014, for a resident individual insurance producer license. In that application you answered "yes" to background question one regarding whether you have ever been convicted of a crime and provided information relating to criminal convictions for controlled substances.

Your criminal convictions are grounds for denial of your application. State law provides that the Commissioner may deny a license if an applicant has been convicted of a felony or convicted of an offense determined by the Commissioner to have a direct bearing upon a person's ability to serve the public as an insurance producer. N.D.C.C. § 26.1-26-42(5). Providing a materially untrue statement on a license application or attempting to acquire a license through a misrepresentation are each grounds for denial of your application. N.D.C.C. § 26.1-26-42(1) and (2). In addition, an applicant for an insurance producer license must be deemed by the Commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation. N.D.C.C. § 26.1-26-15. A violation of these laws is subject to a civil fine of up to \$10,000. N.D.C.C. § 26.1-26-50.

Notwithstanding criminal convictions, the Department will agree to offer you a conditional license. In consideration of your execution of this agreement and in consideration of the Department agreeing not to deny a license to you, the Department will issue a resident individual insurance producer license with the following conditions:

1. You agree to the issuance of a conditional license with a probationary period to run 60 months, plus 61 days from the date of issuance of the conditional license.
 - a. After expiration of 60 months, the license will remain conditional for 61 days, allowing the Department to check court records and determine whether you completed probation successfully; and

- b. If, at the end of the probationary period plus 61 days, there is no cause to terminate the license and you have fully complied with all the terms of this agreement you will be issued an unrestricted license.
2. You agree, that during the time of this probation and at all times after, you will fully comply with all the laws of the state, all lawful orders of the Insurance Commissioner, all the terms of this agreement and the terms of any other agreement you enter with the Commissioner.
3. You agree, during the time of the probation, you shall report to the Department within three business days after an action to collect money or a criminal charge is filed, any further collection action, criminal charge, or criminal conviction in any jurisdiction except for minor traffic offenses.
4. You may not handle funds in any insurance-related employment. During the time of your probation, you must notify the Department within three business days if you leave your current employment.
5. You must notify the Department within three business days of any checks you write that are returned for insufficient funds, whether or not it results in a criminal charge.
6. You agree that without notice, issuance of a complaint or a hearing, the Department may revoke, suspend, or take such further action against the license as may be deemed necessary, and in the sole discretion of the commissioner, if:
 - a. The Department learns that you have violated any of the terms of this agreement;
 - b. The Department receives information that you have had a collection action initiated against you or you have been charged with a crime or convicted of a crime at any time which resulted from a charge that was filed during the probationary period; or
 - c. The Department receives a complaint from any source against you and after investigation of the merits of the charge, conviction, or complaint and after you have been afforded the opportunity to respond in writing, and after review of other factual information necessary, in the sole discretion of the Commissioner, the Commissioner concludes that you violated the laws of the State of North Dakota or used fraudulent, coercive, or dishonest practices or are incompetent, untrustworthy, or financially irresponsible. By entering into this agreement, you agree that the Department's

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analysis and final decision regarding the merits of any allegations made is final and you agree to hereby waive any right you may have to appeal or otherwise contest this decision.

Please be advised that the issuance of the conditional license will result in a report to the National Insurance Producer Registry (NIPR) Producer Database (PDB) as an administrative action.

If you are in agreement with the conditions described above, please sign below, have your signature notarized, and return the agreement to the Department. After receipt of this signed and notarized agreement, the Department will then issue a conditional license. **This offer is valid for only 20 days from the date of this letter.** If we have not received your signature within that time frame, the application will be denied.

Sincerely,


Jeff Ubben
General Counsel

JU/njb

By signing this agreement, I voluntarily agree to the entirety of the conditions as set out in this License Agreement.

DATED this 8th day of May, 2014.



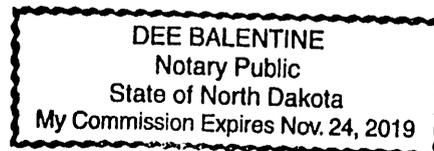
Scott Parizek

Subscribed and sworn to before me this 8th day of May, 2014.



Notary Public

State of North Dakota
County of Ward



My Commission Expires: