STATE OF NORTH DAKOTA

BEFORE THE INSURANCE COMMISSIONER

In the Matter of	)	
	)	**CONSENT ORDER**
John P. Schwan,	)	
NPN 95965,	)	**CASE NO. AG-16-643**
	)	
Respondent.	)	

TO: John P. Schwan, Schwan Financial Group, LLC, 320 Sixth Avenue SE, Aberdeen, SD 57401-6102

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 P. Schwan, NPN 95965 ("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 26.1-26-45.1(1).

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. § 26.1-26-45.1 states, in part:

> 1. An insurance producer shall report to the commissioner any administrative action taken against the insurance producer's license in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter.

4. Respondent has been licensed as a nonresident insurance producer in North Dakota since October 2, 1984.

5. On or about May 11, 2016, Respondent submitted an application to renew his nonresident producer license. Respondent answered "yes" to background question 2 relating to ever being named or involved as a party in an administrative proceeding including a FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration. Respondent disclosed a South Dakota administrative action taken against his license on February 17, 2016, and a FINRA action for using information he was not entitled to on February 17, 2016. During a review of Respondent's licensing information, it was discovered that Respondent did not report the South Dakota administrative action or the FINRA action within 30 days. Both actions should have been reported by March 17, 2016, and they were not reported until May 10, 2016. Respondent's failure to report an administrative action and a FINRA action within 30 days is in violation of N.D.C.C. §§ 26.1-26-15 and 26.1-26-45.1(1).

6. Respondent's actions constitute violations of N.D.C.C. §§ 26.1-26-15 and 26.1-26-45.1(1).

7. 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.

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

9. 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 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 June, 2016.

Adam Hamm
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, **John P. Schwan**, 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 22nd day of June, 2016.

John P. Schwan

John P. Schwan

County of Brown
State of SD

Subscribed and sworn to before me this 22 day of June, 2016.

Jane Jangula

Notary Public

My commission expires: OCT 18, 2020

JANE JANGULA
Notary Public
SEAL
South Dakota