

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

<b>In the Matter of</b>	)	
	)	
<b>Dawn M. Pila,</b>	)	<b>CEASE AND DESIST ORDER</b>
<b>NPN 8402555,</b>	)	<b>AND NOTICE OF</b>
<b>DOB 03/09/1969,</b>	)	<b>OPPORTUNITY FOR HEARING</b>
	)	
<b>Respondent.</b>	)	<b>CASE NO. AG-11-294</b>

**TO: Dawn Pila, 3630 50th Street NW, Reile's Acres, Fargo, ND 58102**

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

1. N.D.C.C. § 26.1-01-03.1 authorizes the Commissioner to issue an order to cease and desist when it appears that any person or business entity is or has engaged in an act or practice which violates or may lead to a violation of the North Dakota Century Code.
2. N.D.C.C. Chapter 26.1-26 regulates the licensing of insurance producers.
3. Dawn M. Pila, NPN 8402555, DOB 03/09/1969 ("Pila"), is presently and has been at all times pertinent to this action a licensed North Dakota resident insurance producer.
4. 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.

5. 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:

...

4. Any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner at the time of issuance.

...

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.

...

10. An improper withholding of, misappropriating of, or converting to one's own use any moneys belonging to policyholders, insurers, beneficiaries, or others received in the course of one's insurance business.

6. N.D.C.C. § 26.1-02.1-02.1 states, in part:

A person may not commit a fraudulent insurance act.

7. The Commissioner has come into information which alleges that Pila has knowingly and intentionally engaged in deceitful and dishonest practices against residents of the State of North Dakota by improperly converting money belonging to insurance clients. By these actions Pila has also shown herself to be incompetent, untrustworthy, or financially irresponsible in the conduct of affairs under the license.

8. At all times relevant to this Order, Pila is or was employed by Fargo Moorhead Insurance Inc., in Moorhead, Minnesota. Pila worked as the office manager for the Moorhead office for approximately six years and was authorized to service customers but did not routinely sell insurance in this capacity. Pila was responsible for collecting deposits, including cash payments that customers made for their insurance premium payments, and taking them to the bank for deposit.

9. In approximately April 2010, Pila's employer noticed that the daily deposits were short by \$20 to \$30. Pila's employer conducted an analysis and, based on a check of its bank records and books, Pila appears to have taken approximately \$8,000 over the past two years from the company's cash deposits and its petty cash fund.

10. On October 8, 2010, M.H., a customer of Fargo Moorhead Insurance Inc., came into the office of Pila's employer and made cash payment of \$401 toward his insurance premium. Pila was responsible for taking such cash payments and depositing them in the agency's bank account. The money did not make it into the deposit.

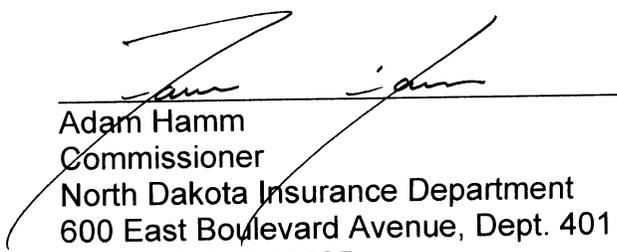
11. Pila is believed to have applied the money received from insurance consumers to her personal use which constitutes violations of N.D.C.C. §§ 26.1-02.1-02.1, 26.1-26-15 and 26.1-26-42(6) and (10).

NOW, THEREFORE, IT IS HEREBY ORDERED pursuant to N.D.C.C. § 26.1-01-03.1 that Pila, whether acting in the State of North Dakota as an insurer, a risk retention group, a purchasing group, an insurance producer, a business entity, or otherwise engaging in the business of insurance, either directly or indirectly through named and unnamed persons, entities, agents, or otherwise, shall immediately **CEASE AND DESIST** from soliciting, transacting, or otherwise engaging in the business of insurance.

IT IS FURTHER ORDERED pursuant to N.D.C.C. § 26.1-01-03.1 that Pila may make a written request for a hearing on this matter within 30 days of the date of this Order.

If Pila fails to request a hearing in writing within 30 days after being served with a copy of this Cease and Desist Order, the Commissioner shall make the Cease and Desist Order permanent, as the facts require.

DATED this 16<sup>th</sup> day of February, 2011.



---

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