

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)	
)	CONSENT ORDER
Scott Biggs,)	
NPN 5740025,)	CASE NO. AG-12-366
)	
Respondent.)	

TO: Scott Biggs, P.O. Box 1082, Dickinson, ND 58602-1082

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 Scott Biggs, NPN 5740025 (“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, 26.1-26-42(5), (6) and (10), and 26.1-02.1-02.1(1) and (3).

2. On June 27, 2012, the Insurance Commissioner issued an Order to Respondent to immediately cease and desist from soliciting, transacting, or otherwise engaging in the business of insurance with residents of the State of North Dakota.

3. N.D.C.C. § 26.1-26-15 states:

26.1-26-15. 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.

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:

...

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.

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.

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

1. A person may not commit a fraudulent insurance act.

...

3. a. A person convicted of a felony involving dishonesty or breach of trust may not participate in the business of insurance.

6. On May 30, 2012, a Criminal Complaint was filed against Respondent in Stark County District Court charging him with five counts of felony Theft of Property.

7. The Complaint alleges that Respondent took or exercised unauthorized control over, or made an unauthorized transfer of an interest in, the property of another with the intent to deprive the owner thereof, or did knowingly obtain the property of another by deception or by threat with intent to deprive the owner thereof, or intentionally deprived another of his property by deception or threat, of an interest in money or assets exceeding \$10,000.

8. The Affidavit in support of the Criminal Complaint alleges that Respondent met J.D. in 2003 and entered into a business arrangement with him to provide business management and consultation services. Respondent began placing J.D.'s assets into various trust accounts. On September 11, 2009, without the knowledge of J.D., Respondent withdrew \$30,000 from one of the trust accounts set up on behalf of J.D. When J.D. attempted to withdraw money from the account, Respondent advised him that the IRS had frozen the trust accounts. J.D. requested that Respondent provide proof that the IRS had frozen the accounts, but Respondent refused to provide any such documentation.

9. The Affidavit in support of the Criminal Complaint also alleges that on September 14, 2009, Respondent issued two cashier's checks from a savings account that had been set up for J.D. for the purpose of the repayment of a loan owed to J.D. by two other individuals. The first check in the amount of \$23,552 was paid to a Chase credit card in Respondent's name and the other was issued in the amount of \$5,805 to Swiss America Trading Corporation which Respondent apparently used to purchase three gold coins.

10. On April 8, 2013, Respondent was convicted of in Stark County District Court of four counts of Theft of Property (Counts 1-4), Class B felonies, and one count of Theft of Property (Count 5), a Class C felony.

11. On June 24, 2013, Respondent was sentenced in Stark County District Court to ten (10) years confinement as a result of his conviction on Counts 1-4 and five (5) years on Count 5; and, 7.5 years of confinement on Counts 1-4 and all 5 years of Count 5 were suspended; and, Respondent was ordered to serve 30 months confinement and 10 years of supervised probation; and, ordered to pay \$46,552.40 to the Clerk of Court in restitution.

12. Under N.D.C.C. § 26.1-02.1-02.1 Respondent is prohibited from participating in the business of insurance due to his conviction of four counts of Theft of Property (Counts 1-4), Class B felonies, and one count of Theft of Property (Count 5), a Class C felony, which are felonies involving dishonesty or breach of trust.

13. Respondent's conviction of four counts of Theft of Property (Counts 1-4), Class B felonies, and one count of Theft of Property (Count 5), a Class C felony, as defined by N.D.C.C. § 12.1-01-04, have a direct bearing on his ability to serve the public as an insurance producer, insurance consultant, or surplus lines insurance producer, and are grounds for revocation of his insurance producer license under N.D.C.C. § 26.1-26-42(5).

14. Respondent's conduct of withholding, misappropriating, or converting his client's money to his own use constitute violations of N.D.C.C §§ 26.1-26-15 and 26.1-26-42 and are grounds for revocation of Respondent's individual insurance producer license.

15. The Insurance Commissioner's June 27, 2012, Order issued to Respondent to immediately cease and desist from soliciting, transacting, or otherwise engaging in the business of insurance with residents of the State of North Dakota, remains in effect today and will continue in effect.

16. At all times relevant to this Order, Respondent held a resident individual insurance producer license issued by North Dakota.

17. 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.

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

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

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent's individual 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 19 day of July, 2013.



Adam Hamm
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, **Scott Biggs**, 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.

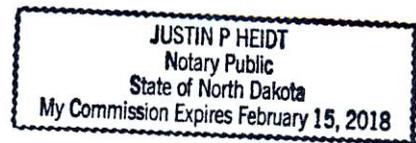
DATED this 5th day of July, 2013.


Scott Biggs

Subscribed and sworn to before me

this 5th day of July, 2013.


Notary Public



County of Raichigh
State of North Dakota

My commission expires: February 15th 2018