

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)	
)	CONSENT ORDER
Mark J. Lindquist,)	
NPN 8304767,)	CASE NO. AG-13-430
)	
Respondent.)	

TO: Mark J. Lindquist, 3120-Z 25th Street South, #160, Fargo, ND 58103

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 Mark J. Lindquist, NPN 8304767 (“Respondent”), an individual who has held a North Dakota nonresident insurance producer license at all times relevant to this proceeding, 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. §§ 26.1-26-03, 26.1-26-13.3(4), 26.1-26-20 and 26.1-26-25.1 and N.D. Admin. Code § 45-04-10-03(2) and (5).

2. N.D.C.C. § 26.1-26-03 states:

No person may act as or hold oneself out to be an insurance producer, insurance consultant, or surplus lines insurance producer unless licensed under this chapter. A person may not sell, solicit, or negotiate insurance in this state for any class of insurance unless the person is licensed for that line of authority in accordance with this chapter. Any person willfully violating this section is guilty of a class C felony.

3. N.D.C.C. § 26.1-26-13.3(4) states, in part:

A business entity acting as an insurance producer must obtain an insurance producer license. Application must be made using the uniform business entity application. Before approving the application, the commissioner must find that:

- a. The business entity has paid the fee set forth in section 26.1-01-07;
- b. The business entity has designated a licensed individual principal insurance producer responsible for the business entity's compliance with the insurance laws, rules, and regulations of this state; and
- c. The individual designated as the licensed principal insurance producer of the business entity has taken the examination required by section 26.1-26-13.2. The business entity may only be licensed for those lines of insurance for which one or more of its principal insurance producers is licensed. The business entity shall inform the commissioner within ten working days of any change in the status of its principal insurance producer or producers.
- d. The commissioner may require any documents reasonably necessary to verify the information contained in an application.

4. N.D.C.C. § 26.1-26-20(3) states:

A nonresident insurance producer who moves from one state to another state or a resident insurance producer who moves from this state to another state shall file a change of

address and provide certification from the new resident state within thirty days of the change of legal residence. A fee or license application is not required.

5. N.D.C.C. § 26.1-26-25.1 states:

An insurance producer doing business under any name other than the insurance producer's legal name is required to notify the commissioner before using the assumed name.

6. N.D. Admin. Code § 45-04-10-03 states, in part:

...

2. No advertisement may omit material information or use words, phrases, statements, references, or illustrations if such omission or such use has the capacity, tendency, or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of any policy benefit payable, loss covered, premium payable, or state or federal tax consequences. The fact that the policy offered is made available to a prospective insured for inspection prior to consummation of the sale, or an offer is made to refund the premium if the purchaser is not satisfied, does not remedy misleading statements.

...

5. An advertisement must prominently describe the type of policy advertised.

7. The Department has obtained information that evidences Respondent distributed handwritten letters and prepaid return postcards to potential insurance clients. The letters and postcards included text identifying "Lindquist Financial" as the sender and source. Although Respondent was attempting to sell Allianz insurance products, neither the letters nor postcards disclosed the name of the insurer, the type of insurance being sold or the full name of the Respondent. The letter contained the

following statements: “get up to 16% on your retirement savings,” “never lose money,” and “our parent company guarantees you will never lose money.”

8. Respondent and Lindquist Financial do not hold a business entity license in the State of North Dakota, and Respondent acting in North Dakota as the business entity, Lindquist Financial, without a valid business entity insurance producer license is a violation of N.D.C.C. §§ 26.1-26-03 and 26.1-26-13.3(4).

9. Respondent failed to notify the Commissioner he was selling insurance through the use of the name Lindquist Financial, and Respondent doing business under any name other than the insurance producer's legal name without notifying the Insurance Commissioner is a violation of N.D.C.C. § 26.1-26-25.1.

10. Respondent no longer resides in Hawaii and is currently residing in North Dakota, and in violation of N.D.C.C. § 26.1-26-20(3) Respondent did not file a change of address with the Commissioner within 30 days of the change of residence.

11. Respondent and Lindquist Financial do not have a parent company and do not offer all the protections of a true parent company and Respondent’s letters stating “get up to 16% on your retirement savings,” “never lose money,” and “our parent company guarantees you will never lose money” are misleading statements; and failing to disclose the type of insurance product being advertised on the letter and postcard are violations of N.D. Admin. Code § 45-04-10-03(2) and (5).

12. 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.

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

14. 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 \$300 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 28th day of January, 2014.



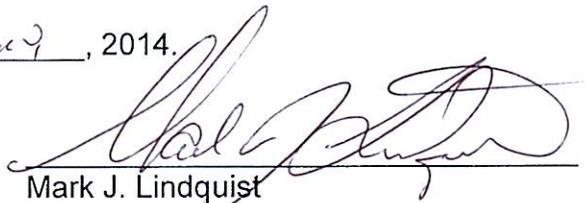
Adam Hamm
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

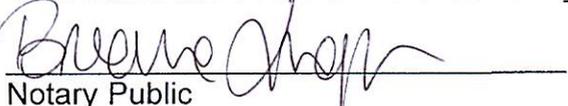
The undersigned, **Mark J. Lindquist**, states that he has read the foregoing Consent Order, that he knows and fully understands its contents and effect; that he has been advised of the right to a hearing in this matter, the right to be represented by legal

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 24 day of January, 2014.


Mark J. Lindquist

Subscribed and sworn to before me this 24 day of January, 2014.


Notary Public

County of Cass
State of NORTH DAKOTA

My commission expires:

BREANNA JURGENS
Notary Public
State of North Dakota
My Commission Expires Feb. 8, 2019