STATE OF NORTH DAKOTA

BEFORE THE INSURANCE COMMISSIONER

In the Matter of	)	
	)	**ORDER REVOKING LICENSE**
Russell Kimball,	)	
NPN 17442657,	)	**CASE NO. AG-16-597**
	)	
Respondent.	)	

TO: Russell Kimball, 503 22nd Street NW, Minot, ND 58701

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. Russell Kimball, NPN 17442657 (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 January 20, 2015.

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:
>
> . . .

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 December 2014 and disclosed that he had a child support obligation in arrearage that totaled approximately $2,053.66.

5. Based on Respondent's child support arrearage, the Commissioner determined that Respondent would be offered the opportunity to agree to a conditional license. On January 8, 2015, a Conditional License Agreement was mailed to Respondent stating, in part:

> Notwithstanding the child support arrearage, the Department will agree to offer you a conditional license. In consideration of your execution of this agreement, the full and immediate payment of any applicable fine 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 12 months, plus 61 days from the date of issuance of the conditional license.
>
> a. After expiration of 12 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 prior to the end of this probationary period you must submit to the sole satisfaction of the Commissioner documentation that establishes your child support arrearage has been satisfied.

7. 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 January 14, 2015. The Commissioner issued a license to Respondent on January 20, 2015. A copy of the signed agreement is attached to this Order as Exhibit 1.

6. On or about January 20, 2016, the Department began a review of Respondent's licensing file and the Conditional License Agreement in order to confirm that Respondent had complied with all the conditions. Respondent agreed by signing the Conditional License Agreement that he would have his child support arrearage

satisfied by the end of the probationary period before an unrestricted license would be issued. A search of child support records showed that Respondent is now $6,137.79 in child support arrearage. Respondent also agreed by signing the Conditional License Agreement that the Department may revoke his license if any of the terms of the agreement had been violated. Respondent's failure to have the child support arrearage satisfied by the end of the probationary period is a violation of the terms of the Conditional 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 child support arrearage was not satisfied in full by the end of 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 26th day of January, 2016.

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

EXHIBIT 1

RECEIVED
JAN 20 2015
NORTH DAKOTA INSURANCE DEPARTMENT

January 8, 2015

Mr. Russell Kimball
503 22nd Street NW
Minot, ND 58703

RE: Conditional License Agreement

Dear Mr. Kimball:

The North Dakota Insurance Department has recently concluded its evaluation of your application received on December 5, 2014, for a resident individual insurance producer license. In that application you answered "yes" to background question seven regarding any child support obligation in arrearage. You have an arrearage of approximately $2,053.66.

Your child support arrearage is grounds for denial of your application. State law provides that the Commissioner may deny a license if an applicant has failed to comply with a court order imposing a child support obligation. N.D.C.C. § 26.1-26-42(17). 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 the child support arrearage, the Department will agree to offer you a conditional license. In consideration of your execution of this agreement, the full and immediate payment of any applicable fine 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 12 months, plus 61 days from the date of issuance of the conditional license.

    a. After expiration of 12 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 prior to the end of this probationary period you must submit to the sole satisfaction of the Commissioner documentation that establishes your child support arrearage has been satisfied.

7. 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.

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 14 day of January, 2015.

Russell Kimball

Subscribed and sworn to before me this 14th day of January, 2015.

Notary Public

State of WARD North Dakota
County of WARD

My Commission Expires: 12-31-2020

ROGER N. WINKLE
Notary Public
State of North Dakota
My Commission Expires December 31, 2020