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Office of the Commissioner  
of Securities and Insurance  
Montana State Auditor's Office  
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Helena, MT 59601  
(406) 444-5223

Attorney for the Insurance Department

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE  
OFFICE OF THE STATE AUDITOR  
STATE OF MONTANA**

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IN THE MATTER OF THE PROPOSED	)	Case No. INS-2011-157
AGENCY ACTION REGARDING THE	)	
APPLICATION FOR INSURANCE	)	<b>CONSENT AGREEMENT</b>
PRODUCER LICENSE OF	)	<b>AND FINAL ORDER</b>
MICHAEL L. JOHNSON,	)	
Respondent.	)	

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This Consent Agreement and Final Order is entered into by the Insurance Department (Department) of the Office of the Commissioner of Securities and Insurance, Montana State Auditor, pursuant to the authority of Mont. Code Ann. § 2-4-603, and the Montana Insurance Code, Mont. Code Ann. § 33-1-101, et seq., and Michael L. Johnson.

**FINDINGS OF FACT**

1. On or about May 25, 2011, Michael L. Johnson (Johnson) applied to the Department for an individual nonresident insurance producer license to transact life insurance in Montana.
2. Johnson disclosed in his application that he is a defendant in an ongoing civil suit alleging misconduct under the affairs of his life insurance producer license in his domiciliary state of Colorado.
3. The Department requested more information and Johnson provided a copy of the Complaint and Jury Demand in the civil suit. The alleged misconduct involves the solicitation, negotiation, promotion, and engaging in life insurance premium financing and in viatical

settlement or life settlement brokering activities.

### CONCLUSIONS OF LAW

1. The State Auditor is the Commissioner of Insurance pursuant to Mont. Code Ann. § 2-15-1903.

2. The Department is under the control and supervision of the Commissioner of Insurance pursuant to Mont. Code Ann. §§ 2-15-1902 and 33-1-301.

3. The Commissioner of Insurance shall administer the Department to protect insurance consumers pursuant to Mont. Code Ann. § 33-1-311.

4. Pursuant to Mont. Code Ann. § 33-1-102, a person or entity may not transact a business of insurance in Montana or a business relative to a subject resident, located, or to be performed in Montana without complying with the applicable provisions of the Montana Insurance Code.

5. Pursuant to Mont. Code Ann. § 33-17-1001(1)(a), the Commissioner may suspend, revoke, refuse to renew, or refuse to issue an insurance producer's license and/or may levy a civil penalty in accord with Mont. Code Ann. § 33-1-317 if a producer or applicant has engaged in any act or practice for which issuance of the license could have been refused.

6. Pursuant to Mont. Code Ann. § 33-17-211(1)(f), the Commissioner may refuse to issue a producer license if the applicant is not competent, trustworthy and of good reputation.

7. Pursuant to Mont. Code Ann. § 33-17-211(1)(g), the Commissioner may refuse to issue a producer license if the applicant has misrepresented the terms of an actual or proposed insurance contract or application for insurance.

### AGREEMENT

The Department and Respondent Johnson agree that the parties' best interests would be served by entering into this Consent Agreement. In consideration of the mutual undertakings established herein, the Department and Respondent Johnson hereby stipulate and agree to the following:

1. The Commissioner and Department have jurisdiction over the subject matter of the above-entitled proceeding.

2. Respondent Johnson acknowledges that he was advised of the right to be represented by legal counsel, and if represented by legal counsel that such legal representation was satisfactory.

3. Respondent Johnson acknowledges that he has read and understands each term of this Consent Agreement and Final Order. Respondent Johnson acknowledges that he enters into this Consent Agreement voluntarily, and without reservation. Respondent Johnson further acknowledges that this Consent Agreement constitutes the entire agreement between the parties and that no other promises or agreements, either express or implied, have been made by the Department or by any member, officer, agent or representative of the Department or the Commissioner to induce Respondent Johnson to enter into this Consent Agreement.

4. The Department contends as set forth in the foregoing Findings of Fact and Conclusions of Law. Respondent Johnson neither admits nor denies these Findings of Fact and Conclusions of Law. The Department and Respondent Johnson have elected to resolve these matters as follows:

(a) The Department will issue Respondent Johnson an individual nonresident insurance producer license to transact life insurance in Montana upon the signing of the Final Order in this matter; however, Respondent Johnson agrees that:

- (i) he will not solicit, negotiate, sell, promote, or otherwise engage in any manner in premium financing for life insurance transactions; and
- (ii) he will not act as a viatical settlement broker or life settlement broker in any manner.

(b) Respondent Johnson agrees to provide information to the Department regarding the status of the ongoing civil suit at least biennially at the time of his license renewal and upon the final resolution of the civil suit.

(c) During the five years following the date the Final Order is signed in this matter, Respondent Johnson agrees to notify the Department immediately regarding the institution of:

- (i) any disciplinary action against any professional license or registration held by Respondent Johnson; and
- (ii) any civil or criminal actions against him.

(d) After the final resolution of the ongoing civil suit, Respondent Johnson may submit a written request to the Department asking that this Consent Agreement and Final Order be amended to remove the prohibitions in paragraph 4.(a) above against soliciting, negotiating, selling, promoting, or otherwise engaging in premium financing in any manner and against acting as a viatical settlement or life settlement broker. The Department and Commissioner will review the request and will not unreasonably withhold concurrence with the request.

(e) Respondent Johnson agrees to comply with the terms and conditions of this Consent Agreement, the Insurance Code and all other regulations of the state of Montana.

(f) Respondent Johnson fully and forever releases and discharges the Department, the elected Commissioner and all Department employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the action.

(g) Respondent Johnson specifically and affirmatively waives a contested case hearing and all rights to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101, *et seq.*, and elects to resolve this matter on the terms and conditions set forth herein.

5. This Consent Agreement shall be incorporated and made a part of the attached Final Order issued by the Commissioner herein. Respondent Johnson understands that this Consent Agreement is not effective until such time as the Final Order is signed.

6. Respondent Johnson understands that this Consent Agreement and Final Order is a public record under Montana law and, as such, may not be sealed or otherwise withheld from the public.

7. Respondent Johnson further understands that, upon the signing of the Final Order by the Commissioner or her representative, this Consent Agreement and Final Order will be an order of the Commissioner and failure to comply with the same may constitute separate violations of the Montana Insurance Code, pursuant to Mont. Code Ann. § 33-1-318, and/or other applicable statutes or rules, and may result in subsequent legal action by the Department.

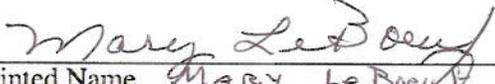
ACCEPTED BY RESPONDENT this 9<sup>th</sup> day of June, 2011.

  
MICHAEL L. JOHNSON

STATE OF COLORADO )  
County of Boulder ) ss.

MARY LE BOEUF  
NOTARY PUBLIC  
STATE OF COLORADO  
My Commission Expires 01/22/2013

SUBSCRIBED AND SWORN to before me by MICHAEL L. JOHNSON on this 9<sup>th</sup> day of June, 2011.

  
Printed Name Mary Le Boeuf  
Notary Public for the State of Colorado  
Residing at Denver, CO  
My Commission expires 1/22/2013

ACCEPTED BY THE INSURANCE DEPARTMENT on this 7<sup>th</sup> day of June, 2011.

  
JENNIFER MASSMAN  
Attorney for the Insurance Department

**FINAL ORDER**

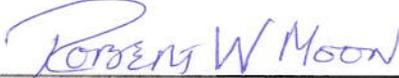
Pursuant to the authority vested by the Mont. Code Ann. §2-4-603 and § 33-1-101, et seq., and on the basis of the foregoing Findings of Fact and Conclusions of Law in this matter, the foregoing Consent Agreement and Respondent Johnson's consent to the entry of this order, for the purpose of settling this matter prior to a hearing, and without admitting or denying any of the Findings of Fact or Conclusions of Law,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the Department and the Respondent Johnson is adopted as if set forth fully herein;

IT IS FURTHER ORDERED that the Department and Respondent Johnson comply with the provisions of the foregoing Consent Agreement.

DATED this 10<sup>th</sup> day of June, 2011.

MONICA J. LINDEEN  
Commissioner of Securities and Insurance  
Montana State Auditor

  
By: ROBERT W. MOON  
Deputy Insurance Commissioner

CERTIFICATE OF SERVICE

I hereby certify that on the 13 day of JUNE, 2011, I served a true and accurate copy of the foregoing Consent Agreement and Final Order upon the Respondent and Department, by mail, postage prepaid, or by hand-delivery at the following address:

Michael L. Johnson  
Insignia Investment Advisors, LLC  
1526 Spruce Street, Suite 101  
Boulder, CO 80302

Jennifer Massman  
Staff Attorney  
Insurance Department

  
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