



advising the Respondent that such free dinners were direct inducements to insurance in violation of Mont. Code Ann. § 33-18-208(4) to the extent that the value of the dinners exceeded \$5.00; and admonishing the Respondent against continuing to offer free dinners valued at over \$5.00.

4. Subsequently, the CSI received information that the Respondent continued to offer free dinners as inducements to insurance at sales presentations in Helena, Great Falls, and Butte.

5. A CSI insurance investigator determined that the free dinners at the Butte presentation were valued between \$16.95 and \$23.00.

6. On December 21, 2012, the CSI received information that the Respondent will be holding free dinner insurance sales presentations at the Macaroni Grill in Great Falls on January 3, 2012, and on January 7, 2012. The solicitation for these presentations does not identify the Respondent as the presenter but lists his business address at the top of the solicitation.

#### **CONCLUSIONS OF LAW**

1. The CSI has jurisdiction over this matter. Mont. Code Ann. § 33-1-311.

2. The CSI administers the Insurance Department to protect insurance consumers. Mont. Code Ann. § 33-1-311(3).

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

4. "Transact," with respect to insurance, includes any of the following: (a) solicitation and inducement; (b) preliminary negotiations; (c) effectuation of a contract of insurance; or (d) transaction of matters subsequent to effectuation of the contract of insurance and arising out of it. Mont. Code Ann. § 33-1-201.

5. No person shall knowingly pay or allow or give or offer to pay, allow, or give, directly or indirectly, as inducement to such insurance or annuity any rebate of premiums payable on the

contract or any special favor or advantage in the dividends or other benefits thereon or any paid employment or contract for services of any kind or any valuable consideration or inducement whatever not specified in the contract; or offer, promise, or give anything of value whatsoever not specified in the contract. Mont. Code Ann. § 33-18-208(2), (4).

6. The Respondent committed multiple violations of Mont. Code Ann. § 33-18-208 by offering to give and by giving free dinners for attending his insurance presentations.

### **CEASE AND DESIST ORDER**

Pursuant to Mont. Code Ann. § 33-1-318, it appears to the CSI that the Respondent has engaged, is engaged, or is about to engage in acts or practices constituting violations of the Montana Insurance Code including the offering of illegal inducements to insurance in violation of Montana Code Ann. § 33-1-101, et seq.,

Therefore, it is hereby ORDERED that the Respondent shall immediately cease and desist from offering free dinners valued in excess of \$5.00 at insurance sales or lead generating presentations.

### **PENALTIES**

Pursuant to Mont. Code Ann. § 33-1-318 , a violation of this Order is a separate violation for which the CSI may impose a fine not to exceed \$5,000 per violation in addition to any other penalties imposed by law.

### **NOTICE OF RIGHT TO HEARING**

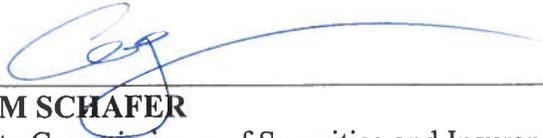
You are entitled to a hearing and to respond to this Temporary Cease and Desist Order and to present evidence and arguments on all issues involved in this case. If you wish to contest the allegations herein, you must make a written request for a hearing within 15 days of receipt of this Order to Mike Winsor, Attorney, Office of the Commissioner of Securities and Insurance, Montana State Auditor, 840 Helena, Avenue, Helena, MT 59601. The hearing shall then be held within 20

days of the CSI's receipt of the hearing request, unless the time is extended by agreement of the parties. If you do not request a hearing and the CSI orders none, this Order shall become permanent, and the above allegations will be declared the findings of fact and the above conclusions of law will be declared the final conclusions of law.

Should you request a hearing, you have the right to be accompanied, represented and advised by an attorney. If the attorney you choose has not been admitted to the practice of law in the state of Montana, she or he must comply with the Montana State Bar for appearing *pro hac vice* and the requirements of *Application of American Smelting and Refining, Co.*, 164 Mont. 139, 520 P.2d 103 (1973) and *Montana Supreme Court Commission on the Unauthorized Practice of Law v. O'Neil*, 2006 MT 284, 334 Mont. 311, 147 P.3d 200 (2006). If you request a hearing, you will be given notice of the date, time, and place of the hearing.

DATED this 21 day of December, 2012.

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

By:   
**ADAM SCHAFFER**  
Deputy Commissioner of Securities and Insurance

**CERTIFICATE OF SERVICE**

I certify that this 21 day of DECEMBER 2012, a true and correct copy of the foregoing Temporary Order to Cease and Desist and Opportunity for Hearing was served on the following by certified mail with postage prepaid and return receipt requested, *to wit*:

Kim McCampbell  
320 Expressway, Suite A.  
Missoula, Montana 59808

Paula Sautter