

NICK MAZANEC
Office of the Montana State Auditor,
Commissioner of Securities & Insurance (CSI)
840 Helena Avenue
Helena, MT 59601
(406) 444-2040

Attorney for the CSI

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

IN THE MATTER OF:)	Case No.: INS-2013-102
)	
MICHAEL R. STROTHER, in his capacity)	
as insurance producer, license # 770168,)	CONSENT AGREEMENT AND FINAL
)	ORDER
Respondent.)	
)	
)	

This Consent Agreement and Final Order (Agreement) is entered into by the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), acting pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq. (Code), and Michael R. Strother (Respondent) (collectively, the parties).

RECITALS

WHEREAS, on February 20, 2013, Respondent became licensed as a Montana non-resident insurance producer;

WHEREAS, on February 28, 2013, Respondent was appointed by Colorado Bankers Life Insurance Company (CBLIC);

WHEREAS, on March 22, 2013, a Montana consumer submitted a complaint to the CSI regarding Respondent's sales practices;

WHEREAS, the CSI conducted an investigation into Respondent's sales practices;

WHEREAS, Respondent violated § 33-1-1202(3) when he presented to CBLIC multiple policy applications for individuals who had not intended to apply for insurance, but who were induced by Respondent to do so;

WHEREAS, Respondent violated § 33-1-1202(3) when he presented to CBLIC multiple policy applications which included materially false answers to health-related eligibility and other questions;

WHEREAS, Respondent violated § 33-18-202(1) when he represented to multiple clients that the product he offered was a Roth IRA when, in fact, it was a modified whole life insurance policy where, in the second year, the premiums split (50/50) beginning year two into life insurance premium and an annuity that could be converted into a Roth IRA via a CBLIC form;

WHEREAS, the parties agree that the best interests of the public would be served by entering into this Agreement;

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the parties agree to settle this matter with the following terms and conditions:

STIPULATIONS AND CONSENTS

1. Respondent stipulates and agrees as follows:
 - A. Respondent neither admits nor denies the allegations in the Recitals.
 - B. Respondent shall pay an administrative fine to the State of Montana in the total amount of \$40,000.00.
 - i. Payments must be made in monthly installments of no less than \$4,000.

ii. The first monthly payment shall be due on April 10, 2015, and each successive monthly payment shall be due on the 10th day of each month thereafter until paid in full.

iii. Payments shall be to the State of Montana, and sent to:

Office of the Montana State Auditor
c/o Nick Mazanec
840 Helena Avenue
Helena, MT 59601

C. Respondent's Montana non-resident insurance producer license is suspended effective immediately.

i. Respondent's license shall remain suspended until payment in full of the administrative fine in 1. B.

ii. Upon payment in full of the administrative fine in 1.B, Respondent agrees to voluntarily surrender his license to the CSI.

D. If Respondent's Montana non-resident insurance producer license expires prior to payment in full of the administrative fine in 1.B, Respondent shall renew his license.

E. Respondent will comply with the terms and conditions of this Agreement, the Code, and all other regulations of the State of Montana.

F. If Respondent fails to comply with this Agreement, or violates any other provision of the Code, the CSI may immediately revoke Respondent's Montana non-resident insurance producer license.

G. With respect to the Recitals, Respondent specifically and affirmatively waives a contested case hearing and his right to appeal under the Montana Administrative

Procedure Act, Mont. Code Ann. § 2-4-101 et seq. (MAPA), and elects to resolve this matter on the terms and conditions set forth herein.

H. Respondent 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.

I. Respondent acknowledges that he has read and understands each term of this Agreement.

J. Respondent acknowledges and enters into this Agreement voluntarily and without reservation.

K. Respondent fully and forever releases and discharges the CSI from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Recitals.

2. All parties to this Agreement stipulate and agree as follows:

A. This Agreement resolves the matter set forth in the Recitals, and the CSI has no intention to impose any penalty, fine, or other disciplinary action for the conduct detailed therein.

B. This Agreement is entered without adjudication of any issue, law, or fact. It is entered solely for the purpose of resolving the matter described in the Recitals and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not alter, limit, or create any private rights or remedies against the parties.

C. This Agreement constitutes the entire agreement between the parties on this matter. No other promises or agreements, either express or implied, have been made

between the CSI, or any member, officer, agent, or representative of the CSI, and Respondent related to this matter.

D. This Agreement may not be modified orally. Any subsequent modifications to this Agreement must be in a mutually-agreed writing with the same formality as this Agreement.

E. This Agreement shall be incorporated into and made part of the attached Final Order issued by the Commissioner of Securities and Insurance, Office of the Montana State Auditor, herein.

F. This Agreement shall be effective upon signing of the Final Order.

G. This Agreement and Final Order are public records under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 19th day of March, 2015.

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



NICK MAZANEC
Attorney for the CSI

DATED this 2 day of March, 2015.



MICHAEL R. STROTHER

Approved as to form on this 13th day of March, 2015.



SCOTT PETERSON
Attorney for Michael L. Strother

FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. §§ 2-4-603 and 30-10-101 et seq.
and upon review of the foregoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the CSI and
Respondent Michael L. Strother is adopted as set forth fully herein.

DATED this 23rd day of March, 2015.

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

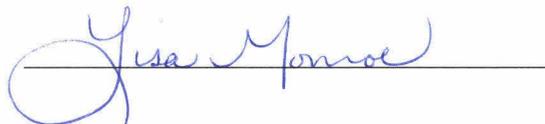
By: 

JESSE LASLOVICH
Deputy State Auditor,
Office of the Montana State Auditor

CERTIFICATE OF SERVICE

This is to certify that a true and accurate copy of the foregoing document was hand delivered, picked up by courier, emailed, or sent by U.S. Mail, postage paid, this 23rd day of March, 2015, to the following:

Morrison, Sherwood, Wilson & Deola, PLLP
Scott Peterson
401 N. Last Chance Gulch
Helena, MT 59601

A handwritten signature in blue ink, reading "Lisa Monroe", is written over a horizontal line.