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

IN THE MATTER OF)	CSI Case Number: INS-2016-59
)	
JOHN DeROSE,)	FINAL AGENCY DECISION
)	BY DEFAULT
Respondent.)	
)	

On May 23, 2016, the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), filed a Notice of Proposed Agency Action and Opportunity for Hearing (Notice) against Respondent John DeRose (Respondent). The Notice alleged that Respondent acted as an insurance producer in Montana without being licensed as required by Montana law. The Notice provided Respondent the opportunity to request a hearing, requiring a written demand by June 16, 2016.

The Notice was sent to Respondent, by certified mail, to his business address of 33 West 60th Street, #6, New York, NY, 10023. It was delivered to Hartan Brokerage at that office on June 14, 2016. It was then sent on July 14, 2016, to Respondent's business address of 80 Broad Street, New York, NY, 10004. Respondent spoke with the attorney for the CSI on July 18, 2016, during which time Respondent was told that he must

respond to the Notice by August 1, 2016. No response or request for a hearing was received by the CSI

By motion filed August 31, 2016, the CSI moved for entry of a final agency decision by default against Respondent.

Upon consideration of the Notice, the CSI's Motion for Final Agency Decision by Default and Respondent's lack of action, the Commissioner of Securities of Insurance, Montana State Auditor (Commissioner) makes the following:

FINDINGS OF FACT

1. Respondent was not a licensed insurance producer in Montana in the year 2015.
2. The CSI's statements of fact, as presented in its Notice and Motion stand as unchallenged and establish that Respondent was involved in transactions resulting in the sale of an insurance policy in Missoula, Montana, providing surplus lines insurance company from December 1, 2015, to December 1, 2016.
3. The CSI gave notice to Respondent of this proposed agency action by sending the Notice (certified mail) and its Motion for Final Agency Decision by Default via the United States Postal Service. The former was sent May 23 and July 14, 2016; the latter August 31, 2016. No response was received by the CSI from the Respondent by the CSI or the Hearing Examiner.

CONCLUSIONS OF LAW

1. Any Findings of Fact more appropriately considered a Conclusion of Law is hereby incorporated into these Conclusions of Law.

2. The Commissioner has jurisdiction over the practices of selling, soliciting, or negotiating insurance and over insurance producers in this state. Mont. Code Ann. §§ 33-1-311; 33-17-201; 33-17-1001.

3. The notice provided to Respondent in this case fulfills the requirements set out in Montana Code Annotated Section 2-4-601 and Administrative Rules of Montana 1.3.214.

4. Pursuant to Montana Code Annotated Section §§ 33-1-317 and 33-1-1211, the Commissioner may impose a fine upon the Respondent up to \$5,000 per violation of relevant law, require Respondent to pay the costs of these proceedings, and require the Respondent to pay restitution.

ORDER

Based on the foregoing, IT IS ORDERED that:

1. Within sixty (60) days of the day this Order is signed by the Commissioner, Respondent shall pay a fine/penalty of \$5,000. Payment shall be in the form of a cashier's check made to the Montana State Auditor, and sent to:

Montana State Auditor, Commissioner of Securities
and Insurance
c/o Darla Sautter, Legal Assistant
840 Helena Avenue
Helena, MT 59601;

2. Respondent shall thoroughly read, remain familiar with, and obey all laws and rules pertaining to the conduct of insurance producers in Montana, and

3. Prior to any activity related to the selling, soliciting, or negotiating of insurance in Montana, Respondent shall obtain an insurance producer license pursuant to Montana law.

DATED this 30th of September, 2016.



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

cc: John DeRose, Respondent
Barb Harris, Attorney for CSI