

**FILED**

**MAY 23 2023**

**Department of Insurance  
State of Idaho**

**Before the Director of the Department of Insurance  
State of Idaho**

**Idaho Department of Insurance,**

Complainant,

vs.

**Ronald Melvin Hill**, an individual  
holding Idaho Resident Producer  
License No. 28553,

Respondent.

Docket No. 18-4083-22

**Findings of Fact, Conclusions of  
Law, and Final Order**

This proceeding is a contested case conducted pursuant to the Idaho Administrative Procedure Act, Title 67, Chapter 52, Idaho Code; the Idaho Insurance Code, Title 41, Idaho Code; and the Idaho Rules of Administrative Procedure of the Attorney General, IDAPA 04.11.01.

The Hearing Officer in this matter issued a Findings of Fact, Conclusions of Law, and Preliminary Order ("Preliminary Order") in this matter on March 3, 2023. On March 17, 2023, I issued a Notice of Intent to Review Preliminary Order. In this Notice, I informed the parties that I intended to review two issues: whether the discipline imposed for the violations found in Count I and Count III of the Complaint was appropriate, and whether the Department demonstrated a violation of Idaho Code as pled in Count II of the case, potentially justifying additional disciplinary

measures.<sup>1</sup>

In preparing this Final Order and making the following findings and conclusions, I have reviewed the agency record in this matter, as provided by Idaho Code § 67-5249.

### **Findings of Fact**

I adopt the Findings of Fact found in the Preliminary Order in their entirety, and make the following additional findings:

1. At hearing, the Department presented the testimony of Kristen Butler of the Idaho Department of Finance. Ms. Butler testified, “We knew FIP was a security.” Tr. 39:10. She also stated, “They [FIP] were selling an investment contract. The investment contract itself is the security. FIP was the issuer.... It is defined in our code and rules of what a security is. And it includes investment contracts.” Tr. 49:23-50:4.

2. Respondent entered into an Agreement and Order with the Department of Finance on March 5, 2020. Ex. 100. This Agreement and Order makes two Findings of Violations. The first finding was that Respondent “sold securities in the form of investment contracts. The securities were not registered, nor did they qualify for a registration exemption at the time they were sold, in violation of Idaho Code § 30-14-301.” Ex. 100, ¶ 18. The second finding was that Respondent “offered and sold FIP investment contracts to Idaho residents. [Respondent] was not registered to sell securities, nor did he qualify for a registration exemption at the time the securities were sold, in violation of Idaho Code § 30-14-402.” *Id.*, ¶ 21.

3. As part of the Agreement and Order, Respondent agreed to disgorge

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<sup>1</sup> Respondent makes numerous additional arguments in his brief. When an agency head conducts a review of a preliminary order, he is required to “identify the issues he intends to review.” Idaho Code § 67-5245(4). As I did not give notice of my intent to review these arguments, they are beyond the scope of this review, and I will not address them in this Final Order. In addition, Respondent made an oral motion for a directed verdict at hearing. Tr. 174:13-175:5. The Hearing Officer took the motion under advisement, but did not rule on the motion in the Preliminary Order. Tr. 243:11-15. To the extent this motion is pending, I deny the motion.

commissions from FIP products and to pay a civil penalty of \$18,000, with \$15,000 of the penalty waived upon completion of a payment plan and compliance with the terms of the Agreement and Order. *Id.*, ¶ 25-26.

4. On May 1, 2020, Lisa Tordjman of the Department wrote a letter to Respondent. The letter states, in part:

We find that there was a regulatory action against you by the Idaho Department of Finance under Case #2019-7-01-A for violations of the Idaho Uniform Securities Act (2004) and you entered into a consent order as of March 5, 2020 and agreed to a penalty of \$18,000 and a disgorgement of commissions in the amount of \$10,363.

This information, regarding whether or not the licensee has “ever been named or involved as a party to an *administrative proceeding*, including *FINRA sanction or arbitration* proceeding regarding *any professional or occupational license or registration*,” was not disclosed on the current application or posted to the NIPR warehouse or disclosed to the Department at time of action, and the Department is contemplating administrative action.

Prior to making a decision, the department is permitting you an opportunity to explain the incident and provide the documentation for the action listed on FINRA. Please also explain to the Department your justification, if any, as to the failure to include this action and proper documentation at time of application.

Ex. 105 (emphasis in original).

5. Respondent responded on May 26, 2020, writing that the Department of Finance and Respondent “never had an administrative proceeding or arbitration proceeding.” Ex. 106 at 2.

6. At the hearing, Respondent testified that he had not disclosed the existence of the Agreement and Order on his renewal application because he believed that the Department of Insurance already knew about the Agreement and Order:

I believed that was the true and correct answer based on the question. I was under the—it doesn’t say have I reported. It says has it been reported. When I signed my Order & Agreement with Kristin Butler I said, “Kristin, are you going to report this to the Department of Insurance?” And she said, “Absolutely.” So I knew it was reported because when I got the letter from Lisa [Tordjman.]

Tr., 199:6-13.

7. When asked about the Agreement and Order at hearing, Ms. Butler, who investigated the case for the Department of Finance, testified as follows:

A. I would have talked to the Department of Insurance about it.

Q. When?

A. I know it would have been after this was signed. After I had provided it to Ron. And after it was officially on our website. I would have provided a copy to the Department of Insurance. I do not have anything that lets me know the date or anywhere close to what that date would be.

Q. If I understood, you said you did have a conversation with the Department of Insurance that it had been entered; is that correct?

A. Yes.

Q. And a date relative to the entry of that order? Ten days? Twenty days? Thirty days?

A. Normally I would try to do it immediately. But sometimes I forget and it could be a few months down the road.

Q. And if I understood you right you provided a copy of the March 5, 2020 Agreement & Order to the Department of Insurance; is that correct?

A. Yes.

Q. And, again, relative to the entry, do you have some time frame of when you would have done that?

A. The only thing I can say for certain is it would have been after the March 5 date. But it would have been before Ron contacted me the following year because he got contacted by the Department of Insurance.

Q. Did Mr. Hill request you to provide a copy to the Department of Insurance?

A. No.

Tr. 51:1-52:6. Her testimony continued:

Q. And in sending, if I got this right, a copy of the Agreement & Order to the Department of Insurance, how was that transmitted to the Department of Insurance?

A. I would have provided it via e-mail.

Q. To whose attention?

A. Karl Fromm.

Q. Do you have any record of that e-mail?

A. I have searched everywhere. I cannot find it. That was not

documentation I was keeping at that time.

Q. That transmission via e-mail on whose server did that transmission go out under? Was that a Department of Finance server? Or your personal computer under a personal e-mail address?

A. Well, then, it would be the Department of Finance if that is my two choices.

Q. In this conversation from Mr. Hill did you make any comments about—let me go back. He had asked about an administrative order. Let me go back. I apologize. You said he contacted you and was asking you about what?

A. He had gotten—I don't know if he got a phone call or an e-mail. I just know that the Department of Insurance had contacted him in connection to the renewing of his license. He had checked a "no" box saying that he had not—something about an administrative order. When I talked to him I let him know that this actually is an administrative order. And my understanding from what he was telling me is that he didn't realize this was administrative order. Which is why he checked the "no" box.

Tr., 53:20-54:24.

8. At hearing, Karl Fromm testified that he did not receive a copy of the order from the Department of Finance:

Q. After you found the order in—I think you testified April of 2020. I don't want to put words in your mouth. Did you communicate about Mr. Hill, the respondent here, not the other one, with anyone at the Idaho Department of Finance after you found that order?

A. I did not.

Q. Did you discuss the matter with Ms. Butler?

A. I did not.

Q. Did you receive at any time an e-mail from anyone from the Department of Finance with regard to Mr. Hill?

A. I did not.

Q. Have you tried to find within your records any correspondence you had via e-mail, telephone, electronic, or U.S. mail, contact with Ms. Butler or the Idaho Department of Finance with regard to this respondent?

A. I did.

Q. And what was that?

A. I did not find anything.

Q. Do you recall prior to finding that order on the website, in which you

have testified to was in April of 2020, regardless of the date, do you recall having any contact with the Idaho Department of Finance with regard to this respondent?

A. I did not.

Tr. 75:7-76:7.

### **Questions Presented for Review**

#### **I. Whether the discipline imposed on Counts I and III was appropriate.**

##### *Summary of Facts*

1. The Hearing Officer found that the Respondent committed eight violations of Idaho Code § 41-1016(1)(h) and one violation of Idaho Code § 41-1021(1). These violations arose from Respondent's sales of investment contracts from a company called Future Income Payments ("FIP"). Respondent sold eight of these contracts for FIP between 2012 and 2015. Preliminary Order, Findings of Fact, ¶ 7.

2. These contracts were securities. The Hearing Officer concluded that "Respondent did not offer any evidence or argument to dispute the allegation that the FIP investment contracts were unregistered securities." Preliminary Order, Conclusions of Law, ¶ 29.

3. Respondent has never been licensed or registered to sell securities in Idaho, nor did he qualify for an exemption from such registration. Preliminary Order, Findings of Fact, ¶ 11.

4. FIP's owner was indicted on federal charges of conspiring to engage in mail and wire fraud in 2019. Preliminary Order, Findings of Fact, ¶ 12. The customers who purchased the contracts suffered financial losses upon the company's failure. *Id.*, ¶ 11.

5. Respondent has cooperated with the Idaho Department of Finance in its attempts to recover funds for his clients. *Id.*, ¶ 14. However, as the Hearing Officer notes:

The record is not clear whether Respondent's customers, or any of them, have been fully made whole for their losses incurred as a result of the FIP investment contracts. Neither the Department nor Respondent fully developed a record identifying the total losses suffered by Respondent's customers, nor a record identifying the total recovery by Respondent's

customers due in whole or in part to Respondent's efforts to assist in such recovery. Based upon the record available, however, it appears that at least some of Respondent's customers have not yet been made whole.

*Id.*, ¶ 15.

6. The Hearing Officer's findings include the following statements:

The evidence in this matter, including and especially Respondent's own verbal and handwritten admissions, establish that Respondent engaged in the sale of unregistered securities in the state of Idaho, and did so without himself being registered to sell securities in the state of Idaho. Preliminary Order, Conclusions of Law, ¶ 27.

Respondent did not offer any evidence or argument to dispute the allegation that the FIP investment contracts were unregistered securities. *Id.*, ¶ 29.

Respondent admitted that the sale of the FIP investment contracts to his customers has been a source of injury and loss to them, although he has taken steps to assist in the mitigation of the injury and loss suffered by his customers who purchased FIP investment contracts. *Id.*, ¶ 31.

Respondent presented little defense to the allegations within Count I... other than to place blame on others who he contended had deceived him. *Id.*, ¶ 32.

Based on his over thirty (30) years of experience selling insurance in Idaho, Respondent either knew or should have known the difference between insurance contract [sic] and investment contracts. To that end, Respondent should have known that the investment contracts offered by FIP were securities, and that he was not qualified to sell such securities in the state of Idaho. *Id.*, ¶ 34.

Each of the foregoing eight (8) instances of Respondent selling unregistered securities in the state of Idaho represents a separate instance of Respondent, at a minimum, demonstrating incompetence, untrustworthiness or financial irresponsibility, and being a source of injury and loss to the public or others, in the conduct of business in Idaho. *Id.*, ¶ 36.

8. The Preliminary Order concluded that Respondent demonstrated incompetence, untrustworthiness, and/or financial irresponsibility in the conduct of his business affairs, in violation of Idaho Code § 41-1016(1)(h), resulting in injury or

loss to his customers on no less than eight occasions, and that Respondent violated Idaho Code § 41-1021(1) by failing to report the final disposition recommended that Respondent's resident producer license be suspended for a period of twelve months following the date of the Final Order and that Respondent pay an administrative penalty of \$6,000 for his violations of Idaho Code § 41-1016(1)(h). I requested that the parties brief me on whether this penalty was appropriate.

*Legal Standard and Argument*

9. "The selection of administrative sanctions is vested in the agency's discretion." *Knight v. Dep't of Ins.*, 124 Idaho 645, 650 (Ct. App. 1993). In exercising my discretion to impose a penalty, I must "act within the bounds of such discretion" and "reach [my] decision by an exercise of reason." *Pan American Assurance Co. v. Dep't of Ins.*, 121 Idaho 884, 886 (Ct. App. 1992).

10. Respondent argues that the Preliminary Order's proposed sanctions are appropriate under the circumstances because Respondent "cooperated with the Finance Department and with the Insurance Department, has disgorged commissions, has made payments to a client, has assisted in the recovery of sums for clients, and has not sold insurance for over two years." Respondent's Brief in Reply to Notice of Director's Intent to Review Preliminary Order ("Respondent's Brief"), at 14.

11. The Department disagrees, arguing that an insurance producer with Respondent's experience should have been able to recognize that FIP was selling securities. "The Respondent is a seasoned, 30-year experienced, insurance agent that should know the business, the law and the necessity of compliance with the law and the rules...." Department of Insurance Response Brief regarding Director's Review of Preliminary Order ("Department's Brief"), at 4. The Department requests that the administrative penalty be increased to \$7,000 and that Respondent's license be revoked for a period of five years.<sup>2</sup>

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<sup>2</sup> I note that this is a slightly inaccurate statement of my authority. A license revocation under



### *Conclusions of Law*

12. Respondent's efforts to mitigate the consequences of his misconduct are admirable, and for this reason, I do not believe that additional financial sanctions are necessary. However, I agree with the Department that the proposed suspension is an inadequate penalty.

13. The sale of insurance is a serious responsibility that requires an exceptional degree of honesty, competence, trustworthiness, and financial responsibility. "The business of insurance is one affected by the public interest, requiring that all persons be actuated by good faith, abstain from deception, and practice honesty and equity in all insurance matters. Upon the insurer, the insured, and their representatives, and all concerned in insurance transactions, rests the duty of preserving the integrity of insurance." Idaho Code § 41-113(2). The evidence in this case demonstrates that Respondent did not live up to this standard.

14. Respondent asserts that he did not believe FIP's products were securities. This demonstrates a lack of training and competence. Producers are expected to understand the products they sell. By selling a security without recognizing that the product was a security, Respondent was selling a product he did not understand. This justifies a revocation of Respondent's license.

15. I conclude that suspension is not an adequate penalty for eight instances of incompetent conduct that resulted in losses to Respondent's clients. Respondent testified that he has not sold insurance products in "over two years. Probably three." Tr., 177:12. It makes little sense to suspend the license of someone who is not using it.

16. I reject the Hearing Officer's proposed sanctions. I conclude that Respondent should not retain his insurance license. I have elected to order the revocation of Respondent's license, to occur twenty-eight days from the date of this order, unless

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Idaho Code § 41-1016(1) lasts indefinitely. I am prohibited by Idaho Code § 41-1026(3) from issuing a new license to any person whose license has been revoked until at least one year after the date of the revocation by Idaho Code. I may extend that one-year period by order, up to five years. *Id.*

Respondent surrenders the license before that date.<sup>3</sup>

**II. Whether the Department satisfied its burden as to Count II and, if so, whether additional discipline should be imposed.**

*Summary of Facts*

18. Respondent applied to renew his insurance license on April 30, 2020. Ex. 102.

Background Question 2 of the application read as follows:

Have you been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration, which has not been previously reported to this insurance department? “Involved” means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, placed on probation, sanctioned or surrendering a license to resolve an administrative action. “Involved” also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license, or registration. “Involved” also means having a license, or registration, application denied or the act of withdrawing an application to avoid a denial.

*Id.*

19. Respondent answered “no” to this question. *Id.* Respondent had entered into the Agreement and Order with the Department of Finance on March 5, 2020. Ex. 100.

20. In the Preliminary Order, the Hearing Officer concluded that Background Question 2 was ambiguous.

The proceeding in which Respondent was involved before the Department of Finance, resulting in the execution of the Agreement and Order in March, 2020, was undoubtedly an “administrative proceeding.” However, it was not a proceeding “regarding any professional or occupational license or registration,” as Respondent had none... Under at least one reasonable interpretation of the subject question on Respondent’s renewal application, in which the question is limited to prior administrative actions “regarding any professional or occupational license or registration,” the Hearing Officer cannot conclude that Respondent’s answer of “No” was false or inaccurate based upon the evidence betwe. [sic]

*Preliminary Order, Conclusions of Law, ¶¶ 47-48.*

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<sup>3</sup> I intend that the date this order is issued, not the date the license is revoked, to be the “service date of the final order” for purposes of Idaho Code § 67-5273(2).

21. The Hearing Officer concluded that this interpretation was reasonable because it

...gives purpose and meaning to the multiple references suggesting that the subject matter of the administration or arbitration proceedings must have been related to a license or registration. In the first sentence, if a comma did appear after "FINRA action or arbitration proceeding, then it would be clear that the phrase "administrative proceeding" would be limited to such proceedings "regarding any professional or occupational license or registration." This reading is also reasonable, as it is supported by the fact that every written explanation of the meaning of the term "involved" provided in the question makes reference to proceedings involving a "license" or registration."

*Id.*, ¶ 46.

22. Based on this finding, the Hearing Officer concluded that the Department had not carried its burden to prove that the Respondent's answer to Background Question 2 was not true, correct, and complete to the best of Respondent's knowledge. *Id.*, ¶ 50.

23. I ordered review of this finding, on three issues: whether the question was ambiguous, as described by the Hearing Officer; if so, whether the ambiguity caused Respondent to reasonably believe the question only asked about proceedings regarding a "professional or occupational license or registration" and that he could truthfully answer the question "No" because he was never licensed or registered with the Department of Finance; and if the answer to either of the previous questions was "no," whether the hearing officer's conclusion that the Department did not demonstrate a violation of Idaho Code § 41-1007(1) was correct. Notice of Director's Intent to Review Preliminary Order.

#### *Legal Standard and Argument*

24. As this is a licensing case, I am required to issue an order to resolve it. Idaho Code § 67-5201(14) (defining "order" as "an agency action of particular applicability that determines the legal rights, duties, privileges, immunities, or other legal interests of one (1) or more specific persons.") Agency orders will withstand judicial review:

unless the court finds that the agency's findings, inferences, conclusions, or decisions are:

- (a) in violation of constitutional or statutory provisions;
- (b) in excess of the statutory authority of the agency;
- (c) made upon unlawful procedure;
- (d) not supported by substantial evidence on the record as a whole; or
- (e) arbitrary, capricious, or an abuse of discretion.

Idaho Code § 67-5279(3).

25. Respondent supports the Hearing Officer's conclusion, and argues that there is no evidence in the record to support the Department's contention that Respondent would have known that he was required to report any administrative proceeding regardless of whether it had anything to do with a license or registration. "The Respondent has demonstrated that Question No 2 is ambiguous. He answered the question as he understood it and as it was asked. The Department failed to show that the Respondent gave his answer wilfully [sic] with the knowledge or the belief that his answer was false or that he was aware he was ignorant of the truth or falsity of his answer (which he did not)." Respondent's Brief in Reply to Department of Insurance Response Brief regarding Director's Review of Preliminary Order ("Respondent's Reply"), at 11.

26. The Department claims that Background Question 2 was not ambiguous because "[c]ontrary to the Hearing Officer's finding, the *Agreement and Order* entered on March 5, 2020, is about the Respondent's license or registration!" Department Brief, at 10 (emphasis in original).

### *Conclusions of Law*

#### **a. Whether Background Question 2 was ambiguous.**

27. Background Question 2 is part of a licensing application managed by the National Insurance Producer Registry ("NIPR"). Ex. 102 (showing NIPR logo). (NIPR's licensing information procedure is in effect in fifty-four U.S. jurisdictions. National Insurance Producer Registry, *About Us*, <https://nipr.com/about> (last visited May 8, 2023). I have not uncovered any opinion by any state court or insurance governing body finding that this question is ambiguous as to whether it calls for applicants to disclose administrative penalties incurred for unlicensed conduct. It is

clear that this question calls for the disclosure of all administrative proceedings, whether or not they concerned licensed conduct. If the question was designed to inquire only about actions taken against a professional license, the question would have read something like the following:

Have you been named or involved as a party in an administrative proceeding *regarding any professional or occupational license or registration*, including a FINRA sanction or arbitration proceeding, which has not been previously reported to this insurance department?

*See, e.g., Texas Dep't of Ins. v. Palombo*, 2008 WL 818351 (Tx. St. Off. Admin. Hgs. Mar. 18, 2008) (finding that a question reading "Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company, ever been involved in an administrative proceeding regarding any professional or occupational license, or registration?" did not call for disclosure of a cease and desist order that did not affect the applicant's license).

28. The Hearing Officer's conclusion that "every written explanation of the meaning of the term 'involved' provided in the question makes reference to proceedings involving a 'license' or 'registration'" (Preliminary Order, Conclusions of Law, ¶ 46) is not supported by the text of Background Question 2. The question defines "involved" as "having a license censured, suspended, revoked, canceled, terminated; or, *being assessed a fine*, placed on probation, sanctioned or surrendering a license to resolve an administrative action." (Emphasis added.) A person who has been assessed a fine to resolve an administrative action that an agency brought against them is "involved" in the action, whether the person holds a license or not.

29. For these reasons, I conclude that the Hearing Officer's conclusion that Background Question 2 was ambiguous was not supported by substantial evidence on the record as a whole, and I reject this conclusion. I conclude that Background Question 2 is not ambiguous, and calls for the disclosure of all administrative proceedings, regardless of whether they affect licenses or registrations.

**b. Whether ambiguity caused Respondent to reasonably believe that he could truthfully answer Background question 2 "No."**

34. In addition to my conclusion that Background Question 2 was not ambiguous,

I also conclude that it is implausible that Respondent believed that the question did not call for him to report the Agreement and Order because the Agreement and Order did not affect a license or registration.

35. Neither Respondent's letter of May 26, 2020, nor his testimony at hearing indicate that he interpreted the question this way. Respondent's letter of May 26, 2020, indicates that he did not report the Agreement and Order because he did not think the case constituted an administrative proceeding. Respondent's testimony at hearing indicates that he assumed Ms. Butler had reported the existence of the Agreement and Order to the Department.

36. Respondent testified at hearing that he asked Ms. Butler whether Ms. Butler would report the Agreement and Order to the Department of Insurance. Tr., 199:6-13. This is a telling sign that Respondent knew that the Agreement and Order would be relevant to his reapplication.

37. For this reason, I conclude that, even if Background Question 2 was ambiguous, the nature of the question did not cause Respondent to reasonably believe the question only asked about proceedings regarding a "professional or occupational license or registration" and that he could truthfully answer the question "no" because he was never licensed or registered with the Department of Finance to sell securities.

**c. Whether the hearing officer's finding that the Department did not demonstrate a violation of Idaho Code § 41-1007(1) was correct.**

38. Having concluded that Background Question 2 calls for applicants to disclose the existence of administrative proceedings that have not previously been reported to the Department, regardless of whether the proceedings affect a license or registration; that Background Question 2 is not ambiguous; and that Respondent could not have reasonably believed that he could truthfully Background Question 2 with "No" because the Agreement and Order did not affect a license or registration; I proceed to the matter of whether the Department demonstrated a violation of Idaho Code § 41-1007(1).

39. Statements made on a resident insurance producer license are made "under penalty of refusal, suspension or revocation of the license that the statements made

in the application are true, correct and complete to the best of the applicant's knowledge and belief." Idaho Code § 41-1007(1). Therefore, I must review whether Respondent's statement that his answer of "No" to Background Question 2 was true, correct, and complete; and if it was not, whether he believed his answer to be true.

40. In reviewing the testimony, I note the following. Respondent testified that he asked Ms. Butler whether Ms. Butler would report the Agreement and Order to the Department of Insurance, and Ms. Butler allegedly said, "Absolutely." ¶ 22, *supra*.

41. Ms. Butler testified that she "would have talked to the Department of Insurance" about the order, but she could not provide a date on which she did so, and she could not find a copy of any documents she may have transmitted to the Department. ¶ 23, *supra*. Karl Fromm testified that he did not receive any documents about the case from Ms. Butler from before the date on which Mr. Fromm discovered the documents on the Department of Finance's web site in April of 2020. ¶ 24, *supra*.

42. Based on this testimony, the preponderance of evidence suggests that, while Ms. Butler may have sent the Agreement and Order in this case to the Department, this action did not occur on or before April 30, 2020, which was the date Respondent submitted his application. Therefore, I do not conclude that there is substantial and competent evidence to support the contention that the Respondent's answer of "No" to Background Question 2 was not true, correct, and complete.

42. I do not conclude that there is substantial and competent evidence to support the contention that the that the answer was true, correct, and complete to the best of his knowledge and belief. The testimony presented in the case indicates that as of April 30, 2020, Respondent did not know whether the Agreement and Order had been previously reported to the Department. A reasonable person would have contacted Ms. Butler or Ms. Tordjman at the time of the application to ask whether the Department had received the Agreement and Order.

43. This violation justifies a penalty pursuant to Idaho Code § 41-1016(1)(b). However, based upon discretion and reason, I do not find that any additional penalty is necessary beyond that described elsewhere in this Final Order. The revocation of Respondent's license and administrative penalties are sufficient to protect the public.



## Final Order

Now, therefore, based on the foregoing and in consideration of the premises,

A. *It is hereby ordered* that the Hearing Officer's Findings of Fact, Conclusions of Law, and Preliminary Order is adopted, with the following exceptions;

1. Paragraphs 44 through 50 of the Conclusions of Law are not adopted;
2. Paragraphs B and C of the Preliminary Order are adopted, but Paragraph A is not adopted;

B. *It is further ordered* that for demonstrating incompetence, untrustworthiness, and/or financial irresponsibility in the conduct of business in violation of Idaho Code § 41-1016(1)(h); and for violating a provision of title 41, Idaho Code, namely, Idaho Code § 41-1007(1), in violation of Idaho Code § 41-1016(1)(b); Idaho Resident Producer License No. 28553 (NPN 2882398) issued to Ronald Melvin Hill, is hereby *revoked* effective twenty-eight (28) days from the date of this Final Order, unless Respondent surrenders the license before that date.

Dated this 23<sup>rd</sup> day of May, 2023.

State of Idaho

Department of Insurance



Dean L. Cameron

Director



### **Notice of Rights**

This is a final order of the agency. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. Idaho Code § 67-5246(4).

Pursuant to Sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or
- iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days (a) of the service date of this final order, (b) of an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. Idaho Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

### **Notice regarding Reportable Proceedings**

The foregoing may be considered a reportable administrative proceeding. As such, it is a public record and is public information that may be disclosed to other states and reported to companies for which you are actively appointed. This information may be reported to the National Association of Insurance Commissioners (NAIC) and may appear in the online searchable database of the Idaho Department of Insurance. You should be aware that this proceeding must be disclosed on any insurance license application and must be reported to any and all states in which you hold an insurance license.

### Certificate of Service

I hereby certify that on this 23<sup>rd</sup> day of May, 2023, I caused a true and correct copy of the Final Order to be served upon the following parties by the method(s) indicated below:

John Keenan Deputy Attorney General Idaho Department of Insurance 700 W State St, 3 <sup>rd</sup> Flr PO Box 83720 Boise, ID 83720 <i>Counsel for Complainant</i>	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: john.keenan@doi.idaho.gov
David G. Ballard Law Office of David G. Ballard PO Box 935 Meridian, ID 83680 <i>Counsel for Respondent</i>	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: david@lawballard.biz
Thomas J. Lloyd III Elam & Burke, PA 251 E Front St, Ste 300 PO Box 1539 Boise, ID 83701 <i>Hearing Officer</i>	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: tjl@elamburke.com

