

LAWRENCE G. WASDEN  
Attorney General

BRANDON KARPEN, ISB No. 7956  
Deputy Attorney General  
State of Idaho  
Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, Idaho 83720-0043  
Telephone: (208) 334-4204  
Facsimile: (208) 334-4298  
[brandon.karpen@doi.idaho.gov](mailto:brandon.karpen@doi.idaho.gov)



**FILED**

**JUL 01 2014**

Department of Insurance  
State of Idaho

*Attorneys for the Department of Insurance*

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

STATE OF IDAHO , DEPARTMENT OF  
INSURANCE,

Complainant,

vs.

STEVE STOKELING, Non-Resident Producer  
License No. 418081,

Respondent.

Docket No. 18-2932-14

**ORDER OF DEFAULT**

The Director of the Idaho Department of Insurance (“Director”) has reviewed the record of the above captioned case. Respondent Steve Stokeling has been lawfully served the Verified Complaint and Notice of Right to Hearing, a copy of which is attached hereto as Exhibit A. As evidenced from the Affidavit of Brandon Karpen, Stokeling has failed to file an answer to the

Complaint and failed to request a hearing. Accordingly, having found that Stokeling has waived his rights regarding the opportunity for hearing,

IT IS HEREBY ORDERED that the Non-Resident Producer License No. 418081 issued to Steve Stokeling is hereby REVOKED. Stokeling shall immediately return Non-Resident Producer License No. 418081 to the Idaho Department of Insurance, P.O. Box 83720, Boise, Idaho 83720-0043.

IT IS SO ORDERED.

DATED this 1<sup>st</sup> day of July, 2014.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

*for*  
  
\_\_\_\_\_  
WILLIAM W. DEAL  
Director

### **NOTIFICATION REGARDING REPORTABLE PROCEEDINGS**

This is 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 of which you are actively appointed. This information will be reported to the National Association of Insurance Commissioners (NAIC) and will appear in the Idaho Department of Insurance's online searchable database. Be aware that this proceeding must be disclosed on any license application and must be reported to any and all states in which you hold an insurance license.

### **NOTIFICATION OF RIGHTS**

This constitutes 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. *See* Idaho Code § 67-5246(4).


Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates its principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency decision is located. An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order, or (b) an order denying a petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* Idaho Code § 67-5273. The filing of a petition for judicial review to the district court does not itself stay the effectiveness or enforcement of the order under appeal.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have, on this 1st day of July, 2014, caused a true and correct copy of the foregoing ORDER OF DEFAULT to be served upon the following by the designated means:


Steve Stokeling  
416 Childers Drive  
Warner Robins, GA 31088-3136

- first class mail
- certified mail
- hand delivery
- via facsimile

  
\_\_\_\_\_  
Teresa Jones

LAWRENCE G. WASDEN  
Attorney General

BRANDON KARPEN, ISB No. 7956  
Deputy Attorney General  
State of Idaho  
Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, Idaho 83720-0043  
Telephone: (208) 334-4204  
Facsimile: (208) 334-4298  
[brandon.karpen@doi.idaho.gov](mailto:brandon.karpen@doi.idaho.gov)

  
**FILED**  
**JUN 09 2014**  
Department of Insurance  
State of Idaho

*Attorneys for the Department of Insurance*

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

STATE OF IDAHO , DEPARTMENT OF  
INSURANCE,

Complainant,

vs.

STEVE STOKELING, Non-Resident Producer  
License No. 418081,

Respondent.

Docket No. 18-2932-14

**VERIFIED COMPLAINT AND  
NOTICE OF RIGHT TO HEARING**

COMES NOW the State of Idaho, Department of Insurance (“Department”), by and through its undersigned counsel, to complain and allege as follows:

This administrative proceeding is brought pursuant to the provisions of the Idaho Insurance Code, Idaho Code § 41-101 *et seq.*, including Idaho Code § 41-1016(1), which authorizes the Department to initiate a contested case against an Idaho-licensed insurance

**EXHIBIT**

**A**

producer, seeking revocation of the insurance producer's license, as well as the imposition of administrative penalties, if the Director finds, as to the licensee, that any one (1) or more of the causes or violations enumerated in subsections (1)(a) through -(n) of that section exist. This pleading also serves as notice to Respondent of his right to contest the allegations, the requested relief, and of his right to hearing.

### **RESPONDENT**

1. STEVE STOKELING ("Respondent") is an Idaho-licensed insurance producer, currently holding Idaho Non-resident Insurance Producer License No. 418081. The license was issued on July 13, 2012, and expires December 31, 2014. Department records reflect that Respondent was formerly a resident producer in the state of Georgia, where he voluntarily surrendered his license.

2. As an authorized non-resident producer, Respondent falls within the jurisdiction of the Director of the Idaho Department of Insurance ("Director") and title 41 of the Idaho Code.

### **FACTUAL ALLEGATIONS**

3. On July 30, 2013, the Federal Insurance Company and the Pacific Indemnity Company filed a civil complaint in the United States District Court for the Northern District of Florida (Case No. 13-cv-00429, Dkt. No. 1), alleging that Respondent had fraudulently and criminally sold forged surety bonds.

4. On May 14, 2014, Default Judgment was entered against Respondent in the Florida lawsuit regarding the allegations of fraud.

5. On February 6, 2014, a Consent Order was entered with the Office of the Commissioner of Insurance for the State of Georgia, Case No. 20131000199, reflecting that

Respondent had voluntarily surrendered his resident license in the state of Georgia on the grounds that he had sold fraudulent surety bonds from an unlicensed individual surety.

6. The Georgia Consent Order specified that Respondent “agrees to cease selling, soliciting, or negotiating any insurance, procuring insurance applications, making or causing to be made in any way, directly or indirectly, any contract of insurance, receiving or receipting for money on behalf of any insurer for insurance, or securing or aiding in the placement of any contract of insurance,” and that “he will not be able to act as an insurance agent, and ... agrees not to act as an insurance agent.”

7. On April 17, 2014, the state of Colorado Division of Insurance summarily suspended Respondent’s non-resident insurance producer license.

8. On April 24, 2014, the state of Arkansas Insurance Department suspended Respondent’s non-resident insurance producer license.

9. No report or documentation concerning the Georgia Consent Order, the Colorado Order of Summary Suspension, or the Arkansas Suspension Order was ever received by the Department from Respondent.

**COUNT ONE: VIOLATION OF IDAHO CODE § 41-1016(1)(b)**

10. Paragraphs 1-9 are re-alleged as if set forth in full.

11. Idaho Code § 41-1016(1)(b) states that violation of “any provision of title 41, Idaho Code, department rule, subpoena or order of the director or of another state’s insurance director” authorizes the Department to seek an order that suspends or revokes the license of any producer.

12. Idaho Code § 41-1021(1) requires a producer to report to the Department any administrative action taken against the producer by another governmental agency within 30 days of the final disposition of the action.

13. The Georgia Consent Order is a reportable event pursuant to Idaho Code § 41-1021(1), which Respondent was obligated to report to the Department no later than March 10, 2014.

14. The Colorado Order of Summary Suspension is a reportable event pursuant to Idaho Code § 41-1021(1), which Respondent was obligated to report to the Department no later than May 19, 2014.

15. The Arkansas Suspension Order is a reportable event pursuant to Idaho Code § 41-1021(1), which Respondent was obligated to report to the Department no later than May 26, 2014.

16. The failure to report the Georgia Consent Order, the Colorado Order of Summary Suspension, and the Arkansas Suspension Order are violations of Idaho Code § 41-1021(1).

17. As a result of the violations of Idaho Code § 41-1021(1), the Department has cause and is entitled to an order that suspends or revokes Respondent's non-resident license pursuant to Idaho Code § 41-1016(1)(b).

**COUNT TWO: VIOLATION OF IDAHO CODE § 41-1016(1)(i)**

18. Paragraphs 1-17 are re-alleged as if set forth in full.

19. Idaho Code § 41-1016(1)(i) permits the Department to seek an order that suspends or revokes the license of any producer who has had "an insurance license denied, suspended or revoked in any other state, providence, district or territory.



20. The revocation of Respondent's insurance license in Colorado and Arkansas, Respondent is in violation of Idaho Code § 41-1016(1)(i).

21. As a result of the violations of Idaho Code § 41-1016(1)(i), the Department has cause and is entitled to an order that suspends or revokes Respondent's non-resident license.

**COUNT THREE: VIOLATION OF IDAHO CODE § 41-1016(1)(g)**

22. Paragraphs 1-21 are re-alleged as if set forth in full.

23. Idaho Code § 41-1016(1)(g) permits the Department to seek an order that suspends or revokes the license of any producer who admits or is found to have committed any insurance unfair trade practice or fraud.

24. In the United States District Court for the Northern District of Florida, Respondent was found to have violated the Lanham Act, 15 U.S.C. § 1125, the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. § 1961 *et seq.*, and the Florida Civil Remedies for Criminal Practices Act, Fla. Stat. § 772, all relating to insurance unfair trade practices and fraudulent activity.

25. The actions for which Default Judgment was entered against Respondent in the Northern District of Florida are violations of Idaho Code § 41-1016(1)(g).

26. As a result of the violations of Idaho Code § 41-1016(1)(g), the Department has cause and is entitled to an order that suspends or revokes Respondent's non-resident license.

**COUNT FOUR: VIOLATION OF IDAHO CODE § 41-1016(1)(h)**

27. Paragraphs 1-22 are re-alleged as if set forth in full.

28. Idaho Code § 41-1016(1)(h) permits the Department to seek an order that suspends or revokes the license of any producer who is deemed to have used "fraudulent, coercive or dishonest practices, or demonstrate[d] incompetence, untrustworthiness or financial

irresponsibility, or [to have been] a source of injury and loss to the public or others, in the conduct of business in this state or elsewhere.”

29. In the United States District Court for the Northern District of Florida, Respondent and his co-defendants were found to have “falsely held themselves out as authorized agents or representatives ... and offered forged bonds as surety for various construction projects throughout the United States.”

30. The Florida Court concluded that Respondent and his co-defendants “perpetrated such a scheme in an effort to defraud construction companies throughout the United States and obtain a profit.”

31. The actions for which Default Judgment was entered against Respondent in the Northern District of Florida are violations of Idaho Code § 41-1016(1)(h).

32. As a result of the violations of Idaho Code § 41-1016(1)(h), the Department has cause and is entitled to an order that suspends or revokes Respondent’s non-resident license.

**COUNT FIVE: VIOLATION OF IDAHO CODE § 41-1016(1)(j)**

33. Paragraphs 1-32 are re-alleged as if set forth in full.

34. Idaho Code § 41-1016(1)(j) permits the Department to seek an order that suspends or revokes the license of any producer who is deemed to have “[forged] another’s name on an application for insurance or on any document related to an insurance transaction.”

35. In the United States District Court for the Northern District of Florida, Respondent and his co-defendants were found to have “created and issued forged surety bonds and related documents,” through the fraudulent use of corporations to which they had no relation, as well as “various names of personnel employed by these entities.”

36. The actions for which Default Judgment was entered against Respondent in the Northern District of Florida are violations of Idaho Code § 41-1016(1)(j).

37. As a result of the violations of Idaho Code § 41-1016(1)(j), the Department has cause and is entitled to an order that suspends or revokes Respondent's non-resident license.

**REQUEST FOR RELIEF**

Based upon the foregoing facts and allegations, unless the Department receives a written objection from Respondent, including the basis for the objection and a demand for hearing, within 21 days following service of this verified complaint and notice, the Department intends to submit a proposed order to the Director whereby the Director shall revoke Respondent's non-resident insurance producer license.

**NOTICE OF RIGHT TO A HEARING**

Pursuant to Idaho Code § 41-232A, Respondent has the right to a hearing on this matter. In order to exercise this right, a written request for a hearing must be filed and served upon the Department within 21 days after service of this Complaint. Failure to file and serve a written request for a hearing upon the Department within the 21-day time period shall be deemed a waiver of the opportunity for a hearing and to contest the allegations in the Complaint, pursuant to Idaho Code § 41-232A(2).

Any written request for a hearing shall be served on the Director of the Idaho Department of Insurance, addressed as follows:

William W. Deal, Director  
Idaho Department of Insurance  
P.O. Box 83720  
Boise, ID 83720-0043

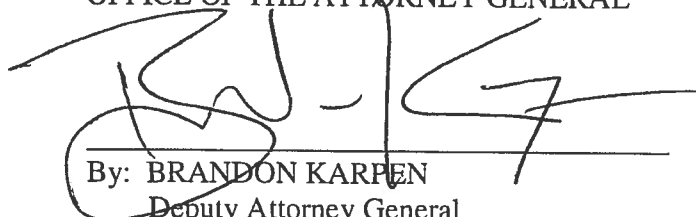
A copy shall also be provided to the Department's counsel in this matter, Brandon Karpen, Deputy Attorney General, at the following address:

Brandon Karpen  
Deputy Attorney General  
Idaho Department of Insurance  
P.O. Box 83720  
Boise, ID 83720-0043

In lieu of a hearing, this matter may be resolved by negotiation, stipulation, agreed settlement, or consent order, pursuant to Idaho Code § 67-5241. Should you wish to discuss these options, please contact the undersigned deputy attorney general. If Respondent fails to submit a timely written response to the allegations within 21 days of the service of this complaint, a final order will be entered imposing the relief described above.

DATED this 9<sup>th</sup> day of June, 2014.

OFFICE OF THE ATTORNEY GENERAL



By: BRANDON KARPEN  
Deputy Attorney General  
Attorney for the Department of Insurance

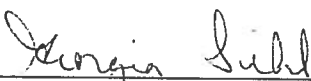
VERIFICATION

STATE OF IDAHO )  
                                  : ss.  
County of Ada        )

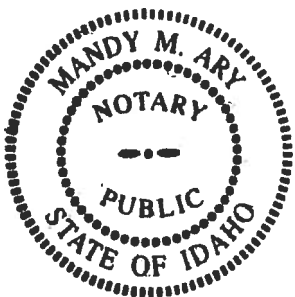
Georgia Siehl, Bureau Chief, Company Activities, for the Department of Insurance, State of Idaho, being first duly sworn, deposes and says:

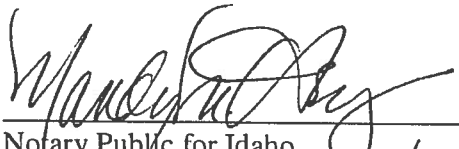
I have read the foregoing Verified Complaint and Notice of Right to Hearing and know the contents thereof, and the same are true to the best of my knowledge and belief and based on the records of the Department.

DATED this 9<sup>th</sup> day of June, 2014.

  
\_\_\_\_\_  
Georgia Siehl, CPA, CFE  
Bureau Chief / Chief Examiner  
Idaho Department of Insurance

SUBSCRIBED AND SWORN to before me this 9<sup>th</sup> day of June, 2014.



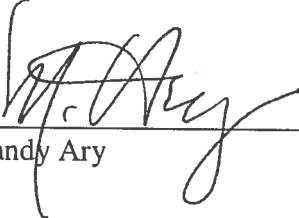
  
\_\_\_\_\_  
Notary Public for Idaho  
My commission expires on 7/24/2018

**IDAHO CODE § 41-232A CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have, on this 9<sup>th</sup> day of June, 2014, and in compliance with Idaho Code § 41-232A, caused a true and correct copy of the foregoing VERIFIED COMPLAINT AND NOTICE OF RIGHT TO HEARING to be served upon the following by the designated means:

Steve Stokeling  
416 Childers Dr  
Warner Robins, GA 31088-3136

- first class mail
- certified mail
- hand delivery
- via facsimile

  
\_\_\_\_\_  
Mandy Ary