

**STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER**

In the Matter of)	
)	CONSENT ORDER
Rhonda Binder,)	
NPN 5739938,)	CASE NO. AG-16-691
)	
Respondent.)	

TO: Rhonda Binder, 317 First Avenue SE, Steele, ND 58482

Insurance Commissioner Adam Hamm ("Commissioner") has determined as follows:

1. As a result of information obtained by the North Dakota Insurance Department ("Department") regarding the conduct of Rhonda Binder, NPN 5739938 ("Respondent"), the Commissioner has considered scheduling a formal hearing to determine whether Respondent's conduct as alleged herein constitutes a basis for imposition of a civil penalty or any other action against the Respondent's insurance producer license that the Commissioner deems necessary. As more fully described below, Respondent's conduct is alleged to be in violation of N.D.C.C. §§ 26.1-26-42(4), (5), (6), and (14) and 26.1-26-45.1(2).

2. Respondent has been licensed as a resident insurance producer in North Dakota since August 20, 1993.

3. N.D.C.C. § 26.1-26-42 states, in part:

The commissioner may suspend, revoke, place on probation, or refuse to continue or refuse to issue any license issued under this chapter if, after notice to the licensee and hearing, the commissioner finds as to the licensee any of the following conditions:

...

4. Any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner at the time of issuance.
5. The applicant or licensee has been convicted of a felony or convicted of an offense, as defined by section 12.1-01-04, determined by the commissioner to have a direct bearing upon a person's ability to serve the public as an insurance producer, insurance consultant, or surplus lines insurance producer, or the commissioner finds, after conviction of an offense, that the person is not sufficiently rehabilitated under section 12.1-33-02.1.
6. In the conduct of affairs under the license, the licensee has used fraudulent, coercive, or dishonest practices, or has shown oneself to be incompetent, untrustworthy, or financially irresponsible.

...

14. The applicant or licensee has refused to respond within twenty days to a written request by the commissioner for information regarding any potential violation of this section.

4. According to information received by the Department, on or about September 21, 2015, Respondent pled guilty to the crime of Misapplication of Entrusted Property, a Class B Felony. The underlying conduct for this offense illustrates that while acting as an employee of Northland Financial Bank from December 2005 to February 2015, Respondent had custodial responsibility for various accounts held by clients of

the bank, and made transfers and withdrawals from those accounts to herself when she was not authorized to do so, thereby depriving those account holders of funds valued at \$16,800.

5. After learning of Respondent's guilty plea to the offense detailed in paragraph 4, an employee of the Department contacted Respondent on October 25, 2016, and requested the following items from Respondent: (1) a written detailed explanation of the incidents that led to the charge of Misapplication of Entrusted Property; (2) a copy of the initial Complaint; (3) a copy of the order issued by the court; and (4) a copy of any other relevant legal documents. Respondent did not provide this information to the Department within 20 days as required by law.

6. N.D.C.C. § 26.1-26-45.1(2) states:

Within thirty days after a criminal conviction, an insurance producer shall report to the commissioner any criminal conviction of the insurance producer taken in any jurisdiction. The report must include a copy of the initial complaint, the order issued by the court, and any other relevant legal documents.

7. During a review of Respondent's licensing file, it was revealed that Respondent failed to report the felony conviction detailed in paragraph 4 within 30 days as required by N.D.C.C. § 26.1-26-45.1(2).

8. Respondent's guilty plea to the Class B Felony offense of Misapplication of Entrusted Property is a cause for which issuance of Respondent's insurance producer license could have been refused had it then existed and been known to the Commissioner at the time of issuance of the license and is grounds for revocation of Respondent's insurance producer license under N.D.C.C. § 26.1-26-42(4).

9. Respondent's guilty plea to the to the Class B Felony offense of Misapplication of Entrusted Property is a conviction determined by the Commissioner to have a direct bearing upon Respondent's ability to serve the public as an insurance producer, insurance consultant, or surplus lines insurance producer and is grounds for revocation of Respondent's insurance producer license under N.D.C.C. § 26.1-26-42(5).

10. Respondent's guilty plea to the to the Class B Felony offense of Misapplication of Entrusted Property shows Respondent is untrustworthy or financially irresponsible and is grounds for revocation of Respondent's insurance producer license under N.D.C.C. § 26.1-26-42(6).

11. Respondent's failure to provide information to the Department within 20 days as outlined in paragraph 5 constitutes a violation of N.D.C.C. § 26.1-26-42(14) and is grounds for revocation of Respondent's insurance producer's license pursuant to N.D.C.C. § 26.1-26-42(14).

12. Respondent's failure to report the felony conviction detailed in paragraph 4 within 30 days to the Department is a violation of N.D.C.C. § 26.1-26-45.1(2) and is grounds for revocation of Respondent's insurance producer's license.

13. Respondent acknowledges that at the time of signing the Consent to Entry of Order, she was aware of or had been advised of the right to a hearing in this matter, to consult an attorney, to present argument to the Commissioner, to appeal from any adverse determination after a hearing, and Respondent expressly waives those rights.


14. Respondent has agreed to informal disposition of this matter, without a hearing, as provided under N.D.C.C. § 28-32-22.

15. For purposes of resolving this matter without further administrative proceedings, Respondent has agreed to enter into the following order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent's resident insurance producer license is hereby **REVOKED** effective upon the Commissioner's execution of this Order.
2. No administrative fine or other civil penalty is imposed.
3. The use of this Consent Order for competitive purposes by an insurance producer or agency holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority.

DATED at Bismarck, North Dakota, this 28th day of November, 2016.



Adam Hamm
Insurance Commissioner
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, **Rhonda Binder**, states that she has read the foregoing Consent Order, that she knows and fully understands its contents and effect; that she has been advised of the right to a hearing in this matter, the right to be represented by legal counsel, the right to present evidence and arguments to the Commissioner, and the right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order she waives those rights in their entirety, and consents to entry of this Order by the Commissioner. It is further expressly understood that this

Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either expressed or implied.

DATED this 18th day of November, 2016.

Rhonda Binder
Rhonda Binder

Subscribed and sworn to before me this 18 day of November, 2016.

Karen K Lee
Notary Public

County of Kidder
State of North Dakota

My commission expires: 9-19-20

