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STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
)
 ROYLE P. PRINCE,)
 Respondent.)
 _____)

Case No. D 99-09

STIPULATED AGREEMENT AND ORDER

The Division of Insurance, ("division") and Respondent Royle P. Prince (Mr. Prince) stipulate and agree as follows:

I. BACKGROUND

1. Mr. Prince is an individual residing in Anchorage, Alaska who has never held a license under AS 21.27 to transact the business of insurance in Alaska. Mr. Prince was a controlling member of Insurance Group of Alaska, LLC ("IGA") which applied for an insurance producer license in October of 1998. The division issued firm license #18170 on December 7, 1998 to IGA. The Division of Insurance licensing records list Karol S. Bracker, individual license #9848, as principal and compliance officer of the firm and as the only licensed insurance producer in the firm during the period when the insurance transactions listed in paragraph 2 occurred. On April 1, 2000, an additional individual became licensed to work in the firm.

2. In July 1999, the division received an anonymous letter of complaint alleging that Mr. Prince was transacting the business of insurance without a license at Insurance Group of Alaska, LLC. An investigation by the division turned up evidence of insurance transactions

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ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

1 negotiated and completed without participation by the only licensed individual at the firm. The
2 evidence included the following violations:

3
4 a) In March and April of 1999, Mr. Prince prepared and submitted a fax signed by
5 him regarding insurance coverage and premiums related to Cody Gray to Leader Insurance
6 Company. Subsequently, Mr. Prince submitted an application for automobile insurance for
7 Cody L. Gray to Leader Insurance Company. Mr. Prince affixed a stamped signature of
8 Karol Sue Bracker as producer on page 1 of the application, and in place of the required
9 producing agent's signature on page 4 of the application. Karol Sue Bracker did not work
10 on the application, sign the application, or approve the use of her signature on the
11 application.

12
13 b) In approximately May of 1999, Mr. Prince prepared and submitted to Leader
14 Insurance Company a fax signed by him regarding two policies of insurance written for
15 Aloha Kuhns and for Charlie Harrison and Charlie Burt to Leader Insurance Company.
16 Neither Karol Sue Bracker nor any other licensed insurance producer worked on obtaining
17 these insurance policies for these applicants.

18
19 c) On or about March 18, 1999, Mr. Prince prepared and submitted an application
20 for automobile insurance for Francisco Dominguez to Leader Insurance Company. Mr.
21 Prince affixed a stamped or photocopied signature of Karol Sue Bracker as producer on
22 page 1 of the application, and in place of the required producing agent's signature on page
23 4 of the application. Karol Sue Bracker did not work on the application, sign the
24 application, or approve the use of her signature on the application.

25
26 d) On or about March 30, 1999, Mr. Prince prepared and submitted to Leader

1 Insurance Company a fax signed by him regarding insurance coverage for James Glover
2 and an application for automobile insurance for James Glover. Mr. Prince affixed a
3 stamped or photocopied signature of Karol Sue Bracker as producer on page 1 of the
4 application, and in place of the required producing agent's signature on page 4 of the
5 application. Karol Sue Bracker did not work on the application, sign the application, or
6 approve the use of her signature on the application.
7

8 e) On eight different occasions, Mr. Prince prepared and submitted applications
9 identified below by name and date for automobile insurance to Leader Insurance Company.
10 Mr. Prince affixed signatures inconsistent with the known signature of Karol Sue Bracker
11 as producer on page 1 of the applications and in place of the required producing agent's
12 signature on page 4 of the applications. Karol Sue Bracker did not work on the
13 applications, sign the applications, or approve the use of her signature on the applications.
14

15 The eight applications were prepared and submitted on or about:
16

- 17 1) February 6, 1999 for Dale and Jeanette Carter;
- 18 2) February 8, 1999 for Christine Ahalook;
- 19 3) February 14, 1999 for Natasha D. Vos;
- 20 4) February 22, 1999 for Christopher J. Powell;
- 21 5) February 22, 1999 for Loren J. Gahala;
- 22 6) February 24, 1999 for Peter N. Renner;
- 23 7) March 5, 1999 for Robin L. Cole; and
- 24 8) March 6, 1999 for Jamie L. LeBreton.
25
26

3. On August 26, 1999, the division issued an order directing Mr. Prince to cease and

1 desist from transacting the business of insurance in this state since he did not hold the appropriate
2 license.

3
4 4. As permitted by AS 21.06.180, Mr. Prince requested a hearing on the cease and
5 desist order. On September 7, 1999, the director of the division of insurance appointed hearing
6 officer Shelly Higgins to conduct a hearing. The hearing officer held two prehearing conferences,
7 but postponed scheduling any further proceedings at the request of the parties to permit them to
8 attempt to negotiate a resolution.

9
10 5. On October 11, 1999, the Alaska District Attorney's Office issued an Information
11 in Case No. 3AN-099-9403CR charging Mr. Prince with one count each of scheme to defraud, a
12 class B felony, second degree forgery and falsifying business records, both Class C felonies. On
13 April 10, 2000, Mr. Prince entered into an agreement with the District Attorney's office to resolve
14 the criminal charges. Under this agreement, Attachment A, Mr. Prince pled guilty to one class C
15 felony, forgery in the second degree, and agreed to be placed on probation for two years and to
16 complete 85 hours of community service. In exchange for his plea, Mr. Prince received a
17 suspended imposition of sentence (SIS). If he successfully completes the probation and other terms
18 of the agreement, Mr. Prince will have his felony conviction set aside under AS 12.55.085(e) and
19 all civil rights restored.

20
21
22 6. Mr. Prince agrees that he has been advised by counsel and understands that he has
23 a right to an administrative hearing regarding the subject of this agreement. By signing this
24 stipulation, Mr. Prince is voluntarily and knowingly giving up his right to have a hearing, to present
25 oral and documentary evidence, to present rebuttal evidence, to cross-examine witnesses, and to
26 appeal the director's decision to the superior court.

1 II. TERMS AND CONDITIONS

2 1. Mr. Prince understands that this agreement is not binding on the parties unless and
3 until the director signs the order approving the agreement.

4 2. Mr. Prince admits that he committed the violations of the Alaska Insurance Code,
5 AS 21.27.010, listed in Section I, paragraph 2 of this Stipulated Agreement, by transacting the
6 business of insurance in Alaska without the proper license to do so.

7 3. Mr. Prince agrees that he will not transact any other business of insurance in Alaska
8 unless he becomes licensed in the future under the terms of this agreement. Unless licensed, he
9 will have no connection with Insurance Group of Alaska, LLC, including employment in any
10 capacity on the premises of this business, or any ownership, membership or ability to direct the
11 business of IGA. Attachment B is Mr. Prince's attested statement describing the ownership and
12 management arrangements made for IGA, and Mr. Prince's commitment not to engage in any of
13 the company's business.

14 4. Mr. Prince agrees to imposition of a civil penalty, computed under AS 21.27.440
15 (a)(2), of \$1000 for each of the 11 insurance policies that he effectuated, for a total of \$11,000. Of
16 that amount, the division will suspend \$5000. Mr. Prince will pay the remaining \$6000 in twelve
17 monthly payments of \$500 per month, beginning within thirty days after approval of this agreement
18 by the director. The suspended portion of the penalty will be forgiven if, at the end of three years
19 after receiving an insurance license, Mr. Prince has committed no other violations of the insurance
20 code. However, if Mr. Prince commits any other insurance code violation within this period, the
21 director may, in addition to imposing penalties for the new violations, reinstate the suspended
22 portion of the civil penalty, and require its payment in full.

1 5. In setting the penalty amount at \$11,000, with \$5000 suspended, the division of
2 insurance has considered that the total commissions received by Mr. Prince were approximately
3 \$967, as shown on the schedule provided by Leader Insurance Company, Attachment C. In
4 establishing the amount of the penalty, the division has considered Mr. Prince's conduct to be
5 wilful since he was well aware that the law prohibited transaction of insurance business without
6 a license. The factor of wilfulness distinguishes this case from others where penalties were
7 imposed after insurance producers carelessly failed to renew their licenses on time. The division
8 has considered as mitigating factors that, to the division's knowledge, Mr. Prince's unlicensed
9 activity has not cause a monetary loss to either consumers or insurers with whom he dealt, and also
10 that, under the terms of settlement in this agreement, Mr. Prince will not be in a position to earn
11 any income from the insurance business until he completes the SIS and obtains an insurance
12 license.

13
14
15 6. This agreement permits Mr. Prince to apply for an insurance license if, under the
16 SIS, his conviction is set aside after successful completion of his probation. So long as Mr. Prince
17 commits no other criminal acts, violations of the insurance code, or other conduct that demonstrates
18 a lack of trustworthiness, the violations identified in the paragraph 2 of this agreement will not be
19 considered in the licensing decision. When he is eligible to apply for a license, Mr. Prince will be
20 required to submit a license application, the required fee, current passing examination results for
21 the lines of insurance he is seeking and proof that he has completed a course in professional ethics
22 insurance that has been approved in advance by the director or his designee. The division will
23 conduct its usual fingerprint and background investigation. If Mr. Prince qualifies by meeting all
24 conditions for licensure at the time an application is submitted in the future under these terms, he

JAR 7

1 will be granted an insurance license, subject to conditions described in paragraph ~~12~~ below.
2 However, if any additional violations, including past violations that are not identified in this
3 stipulation, come to light in the licensing investigation, the admitted violations identified in
4 paragraph 2 of this stipulation may also be considered as a basis for denial of the application. In
5 addition, if Mr. Prince receives an insurance license, but is later subject to disciplinary action, the
6 violations identified in the paragraph 2 of this stipulation may be considered in any resulting
7 proceedings.
8

9
10 7. If the division issues Mr. Prince a license as contemplated in this stipulation, it will
11 have conditions under AS 21.27.420(c) as follows:

12 a) Mr. Prince would not be allowed to be the principal or compliance officer of a
13 firm for an additional period of three years from the date the license is first issued.

14 b) For a period of two years from the date a license is issued to Mr. Prince, he will
15 be required to submit quarterly sworn statements, in a form similar to the attachment,
16 indicating that he has complied with the insurance code and applicable regulations.
17

18 c) Other conditions might be imposed if warranted by information that
19 becomes known at the time in the future when he applies for a license.
20

21 8. By signing this agreement, Mr. Prince indicates that he understands and agrees that
22 any failure to comply with the terms of this agreement will be reason to deny any license
23 application he submits in the future.
24

25
26 DATED: 9/29

Royle P. Prince
Royle P. Prince

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DIVISION OF INSURANCE

DATED: 9/11/00

By: Linda Brunette
Linda Brunette
Licensing Supervisor

Approved as to form and content:

DATED: 9/11/00

BRUCE M. BOTELHO
ATTORNEY GENERAL

By: Virginia A. Rusch
Virginia A. Rusch
Assistant Attorney General

HEARING OFFICER'S RECOMMENDATION

The undersigned hearing officer appointed by the director hereby recommends approval of this Stipulated Agreement between the division and Mr. Prince.

DATED this 2nd day of October, 2000.

Shelley Higgins
Shelley Higgins, Hearing Officer

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ORDER

*With the agreed amendment
to Paragraph 7(c), attached*

IT IS ORDERED that this Stipulated Agreement and Order is approved and adopted in full resolution of the issues addressed herein, and shall constitute the final order in this matter.

DATED this 20th day of February, ^{2001, BK} ~~2000~~

Robert A. Lohr
Robert A. Lohr
Director of Insurance

DEPARTMENT OF LAW
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AMENDMENT TO STIPULATED AGREEMENT AND ORDER

This document is an amendment to the Stipulated Agreement And Order ("Agreement") entered between the Division of Insurance ("Division") and Respondent Royle P. Prince ("Mr. Prince") in September 2000. The Division and Mr. Prince agree that Paragraph 7(c) shall be amended as follows:

(c) Subject to Paragraph 6 of the Agreement, other conditions might be imposed if warranted by information that becomes known if and when Mr. Prince applies for a license. Subject to Paragraph 6 of the Agreement, the Division of Insurance shall have the same discretion in considering a license application by Mr. Prince as it has with other license applications.

DATED: 2.5.01



Royle P. Prince

DIVISION OF INSURANCE

DATED: _____

By: _____

Linda Brunette
Licensing Supervisor

Approved as to form and content:

DATED: _____

BRUCE M. BOTELHO,
ATTORNEY GENERAL

By: _____

Virginia A. Rusch
Assistant Attorney General

HEARING OFFICER'S RECOMMENDATION

The undersigned hearing officer appointed by the director hereby recommends approval of this Amendment to the Agreement between the Division and Mr. Prince.

DATED this 12th day of February, 2001.

Shelley Higgins
Shelley Higgins, Hearing Officer

DATED this 05 day of Feb, ~~1999~~ ²⁰⁰¹.

ROYLE PRINCE

INSURANCE GROUP OF ALASKA, L.L.C.

By: R Prince

By: Sharisse H. Romer-Prince
Sharisse H. Romer-Prince
Owner

On this 5 day of Feb, ~~1999~~ ²⁰⁰¹, before me, a Notary Public in and for the State of Alaska, personally appeared Royle Prince, known to me and to me known to be the individual who signed this document, and he declared said instrument to be his free and voluntary act and deed for the uses and purposes mentioned therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Ray Longene
Notary Public in and for the State of Alaska
My Commission Expires: 7/28/02

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 5 day of Feb., ²⁰⁰¹1999, before me, a Notary Public in and for the State of Alaska, personally appeared Sharisse H. Romer-Prince, known to me to be the individual who signed this document and to me known to be the Owner of Insurance Group of Alaska, L.L.C., and she acknowledged to me that she is authorized to execute the foregoing instrument on behalf of said corporation and declared said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes mentioned therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Ray Longene
Notary Public in and for the State of Alaska
My Commission Expires: 7/28/02

DATED this ____ day of _____, 1999.

STATE OF ALASKA
DIVISION OF INSURANCE

AMENDMENT TO STIPULATED AGREEMENT AND ORDER

This document is an amendment to the Stipulated Agreement And Order ("Agreement") entered between the Division of Insurance ("Division") and Respondent Royle P. Prince ("Mr. Prince") in September 2000. The Division and Mr. Prince agree that Paragraph 7(c) shall be amended as follows:

(c) Subject to Paragraph 6 of the Agreement, other conditions might be imposed if warranted by information that becomes known if and when Mr. Prince applies for a license. Subject to Paragraph 6 of the Agreement, the Division of Insurance shall have the same discretion in considering a license application by Mr. Prince as it has with other license applications.

DATED: _____

Royle P. Prince

DATED: 1/26/01

DIVISION OF INSURANCE

By: Linda Brunette

Linda Brunette
Licensing Supervisor

Approved as to form and content:

DATED: 1/26/01

BRUCE M. BOTELHO,
ATTORNEY GENERAL

By: Virginia A. Rusch

Virginia A. Rusch
Assistant Attorney General

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DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
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STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
Royle P. Prince,)
Respondent.)

Case No. D99-09

ACCUSATION AND STATEMENT OF ISSUES FOR LICENSE DENIAL

Robert A Lohr, director for the State of Alaska, Department of Community and Economic Development, Division of Insurance ("the division"), states and alleges as follows:

1. This Accusation and Statement of Issues for License Denial initiates a proceeding under the Alaska Insurance Code (Alaska Statutes Title 21) to adjudicate whether the respondent, Royle P. Prince, has violated the Alaska Insurance Code and to impose penalties authorized by AS 21.27.440 and AS 21.36.320. This Accusation and Statement of Issues for License Denial also denies Mr. Prince's application for an insurance producer license in the State of Alaska and sets out the reasons for doing so.

2. Royle P. Prince is an individual residing in Anchorage, Alaska who has never held a license under AS 21.27 to transact the business of insurance in Alaska. In July 1999, the division received an anonymous letter of complaint alleging that Royle P. Prince was transacting the business of insurance without a license at Insurance Group of Alaska, LLC.

3. Royle P. Prince and/or related persons own or have owned Insurance Group of Alaska, LLC, which was issued firm license #18170 on December 7, 1998. Until April, 2000, the division's producer licensing records listed Karol S. Bracker, individual license #9848, as manager and compliance officer of the firm and the only individual currently active in the firm.

ACCUSATION

1 Geoffrey T. Knock, individual license #19120, was an individual active in the firm from June
2 1, 1999 to August 2, 1999. On April 1, 2000, Jesse Romer, license # 21220, became an
3 individual licensed in this firm. On April 21, 2000, Amit Joshi, license # 15035, became
4 licensed as an individual in this firm. On April 28, 2000, the division received a facsimile
5 notification that Ms. Bracker would be replaced as manager of the firm by Mr. Romer.
6

7 4. Between February and May of 1999, Royle P. Prince acted as an insurance
8 producer from the offices of Insurance Group of Alaska, LLC in this state by soliciting,
9 negotiating, effectuating, procuring, renewing, continuing, binding, or delivering a policy of
10 insurance for a resident of this state or to be performed in this state in at least 12 instances, as
11 follows:

12 a) In March and April of 1999, Royle P. Prince prepared and submitted a fax
13 signed by him regarding insurance coverage and premiums related to Cody Gray to Leader
14 Insurance Company. Subsequently, Royle P. Prince submitted an application for automobile
15 insurance for Cody L. Gray to Leader Insurance Company. Prince affixed a stamped signature
16 of Karol Sue Bracker as producer on page 1 of the application, and in place of the required
17 producing agent's signature on page 4 of the application. Karol Sue Bracker did not work on
18 the application, sign the application, or approve the use of her signature on the application.
19

20 b) In approximately May of 1999, Royle P. Prince prepared and submitted to
21 Leader Insurance Company a fax signed by him regarding two policies of insurance written for
22 Aloha Kuhns and for Charlie Harrison and Charlie Burt to Leader Insurance Company. Neither
23 Karol Sue Bracker nor any other licensed insurance producer worked on obtaining these
24 insurance policies for these applicants.
25
26

1 c) On or about March 18, 1999, Royle P. Prince prepared and submitted an
2 application for automobile insurance for Francisco Dominguez to Leader Insurance Company.
3 Mr. Prince affixed a stamped or photocopied signature of Karol Sue Bracker as producer on
4 page 1 of the application, and in place of the required producing agent's signature on page 4 of
5 the application. Karol Sue Bracker did not work on the application, sign the application, or
6 approve the use of her signature on the application.
7

8 d) On or about March 30, 1999, Royle P. Prince prepared and submitted to
9 Leader Insurance Company a fax signed by him regarding insurance coverage for James Glover
10 and an application for automobile insurance for James Glover. Mr. Prince affixed a stamped or
11 photocopied signature of Karol Sue Bracker as producer on page 1 of the application, and in
12 place of the required producing agent's signature on page 4 of the application. Karol Sue
13 Bracker did not work on the application, sign the application, or approve the use of her
14 signature on the application.
15

16 e) On eight different occasions as listed below, Royle P. Prince prepared and
17 submitted applications for automobile insurance for the individuals listed below to Leader
18 Insurance Company. Mr. Prince affixed signatures inconsistent with the known signature of
19 Karol Sue Bracker as producer on page 1 of the application and in place of the required
20 producing agent's signature on page 4 of the application. Karol Sue Bracker did not work on
21 the applications, sign the applications, or approve the use of her signature on the applications.
22

23 The eight applications were prepared and submitted on or about:

- 24 1) February 6, 1999 for Dale and Jeanette Carter;
- 25 2) February 8, 1999 for Christine Ahalook;
- 26 3) February 14, 1999 for Natasha D. Vos;

- 1 4) February 22, 1999 for Christopher J. Powell;
- 2 5) February 22, 1999 for Loren J. Gahala;
- 3 6) February 24, 1999 for Peter N. Renner;
- 4 7) March 5, 1999 for Robin L. Cole; and
- 5 8) March 6, 1999 for Jamie L. LeBreton.

6
7 5. On August 26, 1999, the division issued Order D99-09 directing Royle P. Prince
8 to cease and desist transacting the business of insurance in the State of Alaska.

9 6. On October 28, 1999, the District Attorney for the State of Alaska filed an
10 Information in Case No. 3AN-S99-9403 Cr. charging Royle P. Prince with a scheme to defraud
11 in violation of AS 11.46.600(a)(1), forgery in the second degree in violation of AS
12 11.46.505(a)(1), and falsifying business records in violation of AS 11.46.630(a)(1).

13
14 7. On April 10, 2000, the Superior Court signed a Judgment and Order Suspending
15 Imposition of Sentence and Providing for Probation in State v. Royle P. Prince, Case No. 3AN-
16 S99-9403 Cr. The judgment shows that Royle P. Prince was convicted upon his plea of forgery
17 in the second degree, while charges of scheme to defraud and falsifying business records were
18 dismissed.

21 COUNT I

22 AS 21.27.010. Acting as an Insurance Producer without a License.

23 8. The director re-alleges and incorporates by reference paragraphs 1 through 7
24 above.

25 9. In each insurance transaction listed in paragraph 4, Royle P. Prince acted as an
26 insurance producer, as defined in AS 21.90.900(24) in violation of AS 21.27.010(a).

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10 For violations of AS 21.27.010, AS 21.27.440(a) authorizes penalties including
1) a civil penalty equal to the compensation promised, paid, or to be paid, for each violation; 2)
either a civil penalty of not more than \$10,000 for each violation or a civil penalty of not more
than \$25,000 for each violation if the director determines that the person wilfully violated the
provisions of this chapter; and 3) denial, nonrenewal, suspension, or revocation of a license.

11. The actions of Mr. Prince described in paragraph 4 demonstrate that he
transacted the business of insurance without a license, warranting a civil penalty in an amount
authorized by AS 21.27.440(a), and a specific finding that his actions are sufficient cause under
AS 21.27.410 and AS 21.27.440 to deny his application for an individual insurance license.

COUNT II

AS 21.36.360. Fraudulent or Criminal Insurance Acts

12. The director re-alleges and incorporates by reference paragraphs 1 through 11
above.

13. In each insurance transaction listed in paragraph 4, Royle P. Prince acted as an
insurance producer, as defined in AS 21.90.900(24) without being licensed, in violation of AS
21.36.360(j).

14. In each insurance transaction listed in paragraph 4, Royle P. Prince violated a
provision of AS 21, falsely completed applications for insurance, and knowingly possessed
forged applications for insurance, in violation of AS 21.36.360(j) and of AS 21.36.360 (p).

15. Royle P. Prince knew that his actions in soliciting and negotiating insurance
business, preparing applications and affixing the signature of Karel Sue Bracker to insurance

1 applications were prohibited because of his failure to obtain an insurance license, and therefore
2 knew that his actions were violations of Alaska Statutes, Title 21, chapter 36.

3 16. For violations of AS 21.36.360, AS 21.36.320(d) authorizes civil penalties
4 including a penalty of up to \$2500 for each violation or \$25,000 for engaging in a general
5 business practice in violation of Alaska Statutes Title 21, chapter 36. AS 21.36.320(e)
6 authorizes a penalty of up to \$25,000 for each violation or \$250,000 for engaging in a general
7 business practice in violation of Alaska Statutes, Title 21, chapter 36, if the person charged
8 knew or should have known that the person's conduct was in violation of this chapter.
9

10 17. The actions of Mr. Prince described in paragraph 4 demonstrate participation in
11 a fraudulent transaction under AS 21.36.360(j) and (p), warranting a civil penalty in an amount
12 authorized by AS 21.36.320 and a specific finding that his actions are sufficient cause under
13 AS 21.27.410 and AS 21.27.440 to deny his application for an individual insurance license.
14

15 COUNT III

16 License Denial--Statement of Issues

17 The director re-alleges and incorporates by reference paragraphs 1 through 17 above.
18

19 18. On August 2, 1999, Royle P. Prince filed an application for an insurance producer
20 license, and submitted evidence of completing the required exam. He also submitted a check
21 for the required fee of \$35, but the check was returned unpaid because of the closure of the
22 account. By a facsimile notice dated August 9, 1999, the division informed Mr. Prince that his
23 application was incomplete.
24

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ACCUSATION

1 19. Mr. Prince's insurance license application is denied because he has never
2 submitted the additional information identified in the division's facsimile, nor replaced the
3 dishonored check.

4 20. Mr. Prince's insurance license application is denied because he does not meet the
5 licensing criteria of trustworthiness set out in AS 21.27.020(b)(4). and AS 21.27.020(b) (6).

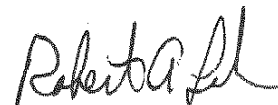
6 21. Mr. Prince's insurance license application is denied because he does not meet the
7 licensing criteria under AS 21.27.020(b) (6) of not having committed an act that is cause for
8 denial, nonrenewal, suspension, or revocation of a license in this state.

9 22. Mr. Prince's insurance license application is denied because he has committed
10 acts that are cause for license denial under AS 21.27.410 (a) (2), (7), (8), and (15).

11 23. Mr. Prince's insurance license request is denied because he has committed acts
12 that are fraudulent or criminal insurance acts under AS 21.36.360 (j) and (p).

13 24. Because Mr. Prince's felony conviction involves a crime of dishonesty or breach
14 or trust under federal law 18 U.S.C. 1033, he is required to obtain the director's express consent
15 to work in the business of insurance in any capacity. To date, Mr. Prince has not obtained the
16 director's express consent.

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22 Dated this 16th day of June, 2000 in Anchorage, Alaska.

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25 Robert A. Lohr
26 Director

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STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

CEASE AND DESIST ORDER D99-09

TO: Roy le P. Prince
Insurance Group of Alaska LLC
505 West Northern Lights Blvd., Ste. 216
Anchorage, AK 99503

The Division of Insurance has evidence showing that you are engaged in transacting a business of insurance in Alaska, or relative to a subject resident, located or to be performed in Alaska. You are hereby ordered to cease and desist from transacting the business of insurance in this state since you do not hold the appropriate license. Continued transaction of insurance in Alaska will be considered a gross and willful violation and will be subject to appropriate administrative action, as well as possible criminal remedies.

The transaction of a business of insurance in Alaska is defined in AS 21.90.900(41), which states:

- "transact" with respect to insurance includes
- (A) solicitation and inducement;
 - (B) preliminary negotiations;
 - (C) effectuation of a contract of insurance;
 - (D) transaction of matters subsequent to effectuation of the contract of insurance and arising out of it.

In order to transact insurance in Alaska, a person must hold the appropriate license. This is required by AS 21.27.010(a), which states:

Except as provided otherwise in this chapter, a person may not act as or represent to be an insurance producer, managing general agent, reinsurance intermediary broker, reinsurance intermediary manager, surplus lines broker, or independent adjuster in this state or relative to a subject resident, located, or to be performed in this state unless licensed under this chapter. A person may not act as or represent to be a managing general agent, reinsurance intermediary broker, or reinsurance intermediary manager representing an insurer domiciled in this state regarding a risk located outside this state unless licensed by this state.

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AS 21.27.440(a) states in part:

In addition to any other penalty provided by law, a person that the director determines under AS 21.06.170 - 21.06.240 has violated the provisions of this chapter is subject to

(1) a civil penalty equal to the compensation promised, paid, or to be paid, directly or indirectly, to a person in regard to each violation;

(2) either a civil penalty of not more than \$10,000 for each violation or a civil penalty of not more than \$25,000 for each violation if the director determines that the person wilfully violated the provisions of this chapter

AS 21.90.020 states:

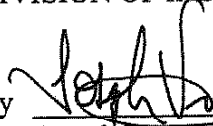
A person determined by the director, following an appropriate hearing as provided in AS 21.06.170 - 21.06.230, to have violated a provision of this title or a regulation adopted under it, for which violation a greater penalty is not provided in this title, is subject to a civil penalty of not more than \$2,500.

This order is effective immediately.

Dated at Juneau, Alaska this 26th day of August, 1999.

ROBERT A. LOHR, DIRECTOR
DIVISION OF INSURANCE

By



Joseph Ver
Administrative Manager