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STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
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STATE OF ALASKA
DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In re:)
)
APPLICATION FOR LICENSE)
OF MGA BONDING AND ASSURANCE)
SERVICES, INC.,)
DON JOSEPH SNYDER, Manager and)
Compliance Officer)
11811 N. Tatum Blvd., Ste. P 195)
Phoenix, AZ 85028.)
_____)

Case No. LD97-01

STATEMENT OF ISSUES

Marianne K. Burke, Director, Division of Insurance (division),
Department of Commerce and Economic Development, State of Alaska, states:

1. On or about July 8, 1996, the division received an application for a firm insurance license from MGA Bonding and Assurance Services, Inc. (MGA), an Arizona corporation.
2. The application designates Don Joseph Snyder as the Compliance Officer and Manager of MGA. It also lists Joel Wisse and Buck Ford as President and Vice President, respectively, of the corporation.
3. A background investigation of the application revealed that the following administrative actions have occurred since MGA's application was first submitted to the division:
 - a. On or about August 13, 1996, the State of Washington issued Order to Cease and Desist No. D.96-53 against several entities including

1 MGA with David M. Novick (Novick), President, and Joel S. Wisse (Wisse), Vice
2 President, for unlicensed activity in Washington.

3 b. On or about August 5, 1996, the Commonwealth of
4 Virginia issued a Judgment Order in Case No. INS950197 against Emerald
5 Financial Services, Inc. (Emerald) and David M. Novick and Joel S. Wisse as
6 Attorneys-in-Fact for Emerald Financial Services, Inc. for unlicensed activity in
7 Virginia. The order permanently enjoins Emerald from transacting the business
8 of insurance in Virginia and requires Novick and Wisse to cease and desist from
9 unlicensed insurance activity in Virginia. This order originated from action
10 initiated by the Commonwealth by order dated March 15, 1996.

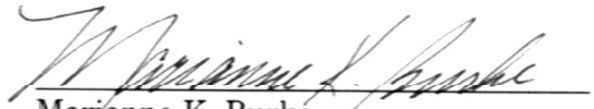
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12 c. On or about October 7, 1996, the State of Oregon issued a
13 Stipulation and Final Order in Case No. INS 96-09-025 regarding MGA for
14 unlicensed activity in Oregon.

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16 4. On the application received by the division, MGA represents that
17 Joel Wisse is President, Buck Ford is Vice President and Don Snyder is an officer
18 of the corporation. However, the division has learned from the corporations office
19 of the State of Arizona, the state in which MGA is incorporated, that this
20 information is not correct. According to the State of Arizona, David M. Novick is
21 in fact the President, Joel Wisse is the Vice President, Secretary, and Treasurer
22 of MGA. Don Snyder is not identified as an officer of the corporation. Therefore,
23 MGA's responses on the application misrepresent the status of officers for MGA
24 and Snyder's eligibilty for designation as a compliance officer for the firm.
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1 5. The administrative action by the states referenced above and the
2 unlicensed activity in those states demonstrates untrustworthiness and/or that
3 MGA and its manager are not qualified for a license and are grounds to deny
4 issuance of a license under AS 21.27.020(a)-(c) and 21.27.410(a) and (b). The
5 misrepresentations on the application regarding the status of corporate officers
6 and the designated compliance officer are further grounds to deny issuance of the
7 license under AS 21.27.040(a). Failure to designate a licensed officer as manager
8 or compliance officer for the firm also is a ground to deny issuance of a firm
9 license under AS 21.27.020(c).
10

11 6. Pursuant to AS 21.27.020(a)-(c), 21.27.040, and 21.27.410, the
12 application of MGA Bonding and Assurance Services, Inc. for a firm insurance
13 license is hereby DENIED.
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15 DATED this 28th day of February, 1997.

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18 Marianne K. Burke
19 Director
20 Division of Insurance

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