

DEPARTMENT OF INSURANCE

STATE OF WYOMING

WYOMING INSURANCE DEPARTMENT,)
)
 Petitioner,)
)
 vs.) Docket No. 09-12
)
 LEO TIMOTHY BUGGY,)
)
 Respondent.)

PETITION FOR NOTICE AND ORDER TO SHOW CAUSE

COMES NOW the Wyoming Department of Insurance, acting by and through James S. Mitchell, Staff Attorney, and pursuant to Wyo. Stat. §§ 26-1-103, 26-2-109 and 26-2-111, and Chapter 32 § 4 of the Wyoming Insurance Department Regulations and Rules for Practice and Procedure Before the Department; and the Wyoming Administrative Procedure Act, Wyo. Stat. § 16-3-101 *et seq.*, herewith moves the Wyoming Insurance Commissioner for the issuance of a Notice and Order to Show Cause directed to Leo Timothy Buggy (hereafter "Respondent" or "Respondent Buggy"), whose last reported address was 590 Ironwood Street, Green River, WY 82935. As cause for this Petition, the Wyoming Insurance Department states and alleges as follows:

1. The Wyoming Insurance Commissioner has jurisdiction over this matter pursuant to Wyo. Stat. §§ 26-1-103, 26-1-108, and 26-9-211.
2. The notice required by Wyo. Stat. § 16-3-113(c) was mailed to Respondent by certified mail, return receipt requested on May 21, 2009.
3. Respondent is licensed by the Wyoming Department of Insurance as a resident producer, License No. 60064 issued August 29, 2002, with a renewal date of December 31, 2009. The Respondent's Individual ID is 2808 and his National Producer ID is 2497640.
4. The business records of the Department of Insurance show Respondent is currently affiliated with Lincoln National Life Insurance Company.

COUNT I

5. On or about February 4, 2009, the Department received notification from AXA Equitable Life Insurance Company (hereafter "AXA") that it had terminated its appointment of Leo T. Buggy "for cause." The specific reason for termination of the appointment was stated as: "... the registered representative misappropriated client funds, created fabricated statements for

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BY Chloe Anne Hilbelm

fictitious accounts and commingled client funds into personal bank accounts under the registered representative's control."

6. Petitioner requested and was provided copies of four Release and Assignment of Claims documents between AXA Equitable and clients of Leo Buggy wherein the settlement states that, "Whereas, AXA has discovered that Leo Buggy has misappropriated certain funds . . ." from the customers' accounts.

7. Pursuant to Wyo. Stat. § 26-9-211(a): The commissioner may, after appropriate notice and opportunity for hearing . . . place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or other license issued under this code, or may levy a civil penalty in accordance with W.S. 26-1-107 or any combination of actions, for any one (1) or more of the following causes:

...

(viii) Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

COUNT II

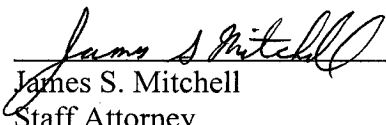
8. Pursuant to authority granted in Wyo. Stat. § 26-2-117, the Department's staff investigator requested by certified mail on April 6, 2009, that Respondent Buggy provide premium trust account and other bank account documentation by April 24, 2009. To date Respondent Buggy has not responded to said request or provided the requested documents contrary to Wyo. Stat. § 26-2-118(c).

WHEREFORE the Department of Insurance respectfully prays the Wyoming Insurance Commissioner to:

A. Revoke the Respondent's nonresident producer license for violation of Wyo. Stat. §§ 26-9-211 and 26-2-118.

B. To enter such other and further relief as may be permitted by law.

Dated this 16 day of June, 2009.


James S. Mitchell
Staff Attorney
Wyoming Department of Insurance
106 East 6th Avenue
Cheyenne, Wyoming 82002
(307) 777-6889