

DEPARTMENT OF INSURANCE

STATE OF WYOMING

WYOMING INSURANCE DEPARTMENT,)	
)	
Petitioner,)	
)	
vs.)	Docket No. 09-09
)	
THOMAS S. OSBORNE and)	
CHAPMAN ASSOCIATES, INC.,)	
)	
Respondents.)	

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, 26-9-208 and 26-9-111, 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 Thomas S. Osborne, whose last reported mailing address was 21 Oak Street, Alfred ME 04002 with a business location address of 57 Portland Road, Kennebunk, ME 04043, and to Chapman Associates, Inc., whose last reported address was 57 Portland Road, Kennebunk, ME 04043. 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, 26-9-208 and 26-9-211.
2. Respondents were provided notice of intent to file this action in compliance with Wyo. Stat. § 16-3-113(c) of the Administrative Procedures Act.
3. Respondent Thomas S. Osborne is licensed by the Wyoming Department of Insurance as a nonresident producer, License No. 159761 issued March 15, 2007, with a renewal date of October 31, 2009 The Respondent's Individual ID is 10069521 and his National Producer Number is 3013051.
4. Respondent Chapman Associates, Inc. is licensed by the Wyoming Department of Insurance as a nonresident firm producer, License No. 159762 issued March 15, 2007. Respondent Chapman Associates, Inc.'s organization ID No. is 15007127 and its Employer Identification Number is 01-0519955.

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WYOMING INSURANCE DEPARTMENT	
DATE	<i>May 28, 2009</i>
BY	<i>Lee Ann Wilhelms</i>

5. The business records of the Department show that Respondents are associated with each other and share the same business mailing address.

6. The business records of the Department of Insurance further show that both Respondents are currently affiliated with ACE American Insurance Company, ACE Fire Underwriters Insurance Company, ACE Property and Casualty Insurance Company and Indemnity Insurance Company of North America.

7. On or about April 18, 2009, a State RIRS Notification was received from the National Association of Insurance Commissioners notifying the Department that a regulatory action had been taken against the license of Respondent Thomas S. Osborne in the state of Maine.

8. Petitioner's investigation of the matter revealed that a Consent Agreement had been entered into with both Respondent Thomas S. Osborne and Chapman Associates, Inc. on January 15, 2009, and that pursuant to said Consent Agreement the Maine Bureau of Insurance revoked the licenses of both Respondent Thomas S. Osborne and Chapman Associates, Inc. to conduct the business of insurance, directly or indirectly. Said revocation was based on a finding by the Maine Insurance Bureau that, "Respondent Osborne has violated his fiduciary obligation by invading Chapman's premium trust fund and using monies from it for impermissible purposes . . . ; and failed to make timely payments of collected premiums to insurers. . . ." A copy of said Consent Agreement is on file herein.

9. Pursuant to Wyo. Stat. § 26-9-208(a)(i), a condition for nonresident licensing in Wyoming is that the person is currently licensed as a resident and is in good standing in his home state. Respondents' home state is Maine.

10. Pursuant to Wyo. Stat. § 26-9-211(a)(ii), (iv), (viii), and (ix), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license for:

(ii) Violating any insurance laws or violating any regulation, subpoena or order of the commissioner or of another state's insurance commissioner;

(iv) Improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business;

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

(ix) Having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory.

11. Wyoming Statute § 26-9-211(b) states: "The license of a business entity may be suspended, revoked or refused if the commissioner finds, after notice and opportunity for hearing, that an individual licensee's violation was known by one (1) or more of the partners, officers or managers acting on behalf of the business entity and the violation was neither reported to the commissioner nor corrective action taken."

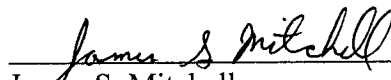
12. To date, neither Respondent Osborne or Respondent Chapman Associates has reported any action against their license to the Wyoming Insurance Department.

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

A. Revoke the nonresident producer licenses of both Respondent Thomas S. Osborne and Chapman Associates, Inc. for violation of Wyo. Stat. §§ 26-9-208(a)(i) and 26-9-211.

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

Dated this 28th day of May, 2009.



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