

DEPARTMENT OF INSURANCE

STATE OF WYOMING

WYOMING INSURANCE DEPARTMENT, )  
 )  
 Petitioner, )  
 )  
 vs. )  
 Select Benefits Group )  
 65 Wadsworth Park Drive, Suite 200 )  
 Draper, UT 84020-8157 )  
 )  
 Respondent. )

Docket 06-10

PETITION FOR NOTICE AND ORDER TO SHOW CAUSE

COMES NOW the Wyoming Insurance Department, acting by and through James S. Mitchell, Staff Attorney, and pursuant to Wyo. Stat. §§ 26-1-103, 26-2-109, 26-2-111, and Chapter 32, § 4 of Wyoming Insurance Department Regulations, "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 Select Benefits Group, 65 Wadsworth Park Drive, Suite 200, Draper, Utah 84020. 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.

COUNT I

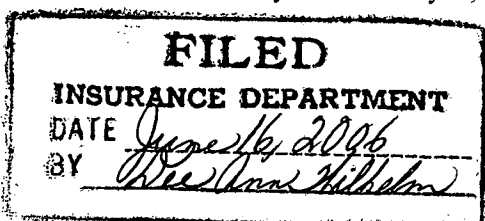
2. On January 9, 2003, the Wyoming Department of Insurance received a Uniform Application for Non-Resident Producer License from Respondent.

3. Page 3 of the Application asks a number of background information questions that are required to be answered by the applicant. Question 2 states:

Have you or any business in which you are or were an owner, partner, officer or director ever been involved in an administrative proceeding regarding any professional or occupational license?

"Involved" means having a license censured, suspended, revoke, canceled, terminated; or, being assessed a fine, placed on probation or surrendering a license to resolve an administrative action. "Involved" also means being named as a party to an administrative or arbitration proceeding which is related to a professional or occupational license. "Involved" also means having a license application denied or the act of withdrawing an application to avoid a denial. You may exclude terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

If you answer yes, you must attach to this application:



- a) a written statement identifying the type of license and explaining the circumstances of each incident,
- b) a certified copy of the Notice of Hearing or other document that states the charges and allegations, and
- c) a certified copy of the official document which demonstrates the resolution of the charges or any final judgment.

The question may be answered by checking either a "Yes" or "No" line. Respondent checked the "No" line.

4. The Respondent's application was signed on January 6, 2003, certifying under penalty of perjury that all of the information submitted in the application was true and correct.

5. Respondent failed to truthfully answer Question 2 in that Respondent was a named respondent in Docket No. 92-097 before the Insurance Commissioner of the State of Utah. Said docket was entitled, "Complainant: Utah State Insurance Department; Respondent: Select Benefits Group, Inc. dba Dental Select, unlicensed, . . . Brent Williams, Unlicensed . . ., 3839 South West Temple, Salt Lake City, Utah 84115."

6. A stipulation was entered into in the Utah administrative action, a copy of which is attached hereto and made a part hereof as Exhibit "A."

7. The stipulation in Docket 92-017 provides in part as follows:

3. Respondents stipulate with the Complainant, Utah State Insurance Department, as follows:

- a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence which would support the Findings of Fact herein;
- b. Respondents admit the findings of Fact and Conclusions made therefrom;
- c. Respondents stipulate to the summary entry of the Order herein which shall be in lieu of other proceedings by Complainant in this matter; and
- d. Respondents and Complainant have negotiated the terms of the Order entered herein and Respondents agree to its entry and further agree to be bound by all its terms.

\* \* \*

#### FINDINGS OF FACT

\* \* \*

2. Respondents do not hold a Certificate of Authority to do the business of Insurance in Utah or in any other state.

\* \* \*

#### CONCLUSIONS OF LAW

\* \* \*

2. The individual Respondents, as officers and Directors of Select Benefits Group, Inc. have assisted in the unauthorized business of insurance in violation of U.C.A. Section 31A-15-102.

8. The stipulation in the Utah administrative proceeding was signed by Respondent's acting President and its attorney.

9. Respondent failed to disclose to the Commissioner in its application for license the administrative action taken by the state of Utah.

10. Wyoming Statute § 26-9-211(a)(i) provides that a producer's license may be placed on probation, suspended or revoked for providing incorrect, misleading or incomplete information in the license application.

## COUNT II

11. On January 9, 2003, the Wyoming Department of Insurance received a Uniform Application for Non-Resident Business Entity License/Registration from Respondent.

12. Page 3 of the Applications asks a number of background information questions that are required to be answered by the applicant. Question 1 states:

Has the business entity or any owner, partner, officer or director ever been convicted of, or is the business entity or any owner, partner officer or director currently charged with, committing a crime, whether or not adjudication was withheld?

"Crime" includes a misdemeanor, felony or military offense. You may exclude misdemeanor traffic citations and juvenile offenses. "Convicted" includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, or having been given probation, a suspended sentence or a fine.

If you answer yes, you must attach to this application:

- a) a written statement explaining the circumstances of each incident,
- b) a certified copy of the charging document, and
- c) a certified copy of the official document which demonstrates the resolution of the charges or any final judgment.

The question may be answered by checking either a "Yes" or "No" line. Respondent checked the "No" line.

13. Respondent failed to truthfully answer question No. 1 in that Respondent's President and CEO at the time of application, Mr. Brent G. Williams, was charged with and pled guilty to the charge of unlawfully stealing money of a value exceeding \$1,000 contrary to Section 294(a) of the Criminal Code of Canada, in the Criminal Division of the Provincial Court of Alberta Canada, Docket C017-232730-1A01 dated October 15, 1990.


**WHEREFORE**, the Wyoming Insurance Department respectfully prays the Wyoming Insurance Commissioner to:

- A. Impose a civil penalty of \$5,000.00 for violation of the Wyoming Insurance Code.

B. Revoke the Respondent's license to transact the business of insurance in the State of Wyoming.

C. Enter such other and further relief as may be permitted by law.

Dated this 15<sup>th</sup> day of June, 2006.

  
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James S. Mitchell  
Staff Attorney  
Wyoming Insurance Department  
Herschler Building, Third Floor East  
122 West 25<sup>th</sup> Street  
Cheyenne, Wyoming 82002  
(307) 777-6889