

Joseph Scott Klein
National Producer # 315816

STATE OF MAINE
BUREAU OF INSURANCE

Docket No. INS-07-207

CONSENT AGREEMENT

This document is a Consent Agreement authorized by Title 10 M.R.S.A. § 8003(5), entered into among Joseph Scott Klein, a resident of New Jersey; the Maine Superintendent and Bureau of Insurance; and the Maine Department of the Attorney General. Its purpose is to resolve, in lieu of an adjudicatory proceeding, issues implicating Title 24-A M.R.S.A. §1417(1) and §1420-K(1)(A).

STATEMENT OF FACTS

1. The Superintendent of Insurance is the official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance is the administrative agency with such jurisdiction.
2. Joseph Scott Klein has been licensed in Maine as a nonresident insurance producer with Property and Casualty authority since July 12, 2004.
3. When Mr. Klein applied for a Maine Nonresident Producer License, he answered "No" to the background question on the application form regarding whether he had ever been subject to a bankruptcy proceeding. He also answered "No" to the background question regarding whether he had ever been involved in an administrative proceeding regarding any professional or occupational license.
4. The application included Mr. Klein's signature dated "4/18/04" under the statement:

"I hereby certify that, under penalty of perjury, all of the information submitted in this application and attachments is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties."
5. On June 20, 2007, the Bureau received Mr. Klein's application for the addition of Surplus Lines authority to his producer license.
6. On Mr. Klein's application form filed in 2007 to add Surplus Lines authority to his Maine Nonresident Producer License, he answered "Yes" to the background question regarding whether he had ever been subject to a bankruptcy proceeding, and disclosed that he had been subject to a Chapter 11 personal bankruptcy proceeding in 1981. He also answered "Yes" to the background question on the application regarding whether he had ever been involved in an administrative proceeding regarding any professional or occupational license, and included documentation that in 1990 he had been the subject of a "Complaint, Stipulation and Final Order" in the State of

Connecticut for failing to disclose the bankruptcy proceeding in connection with his Connecticut insurance consultant applications.

CONCLUSIONS OF LAW

7. The application form's disclosure questions specifically require disclosure of administrative license matters and bankruptcy proceedings. Mr. Klein obtained his Maine producer license in 2004 based in part upon incorrect, misleading, incomplete or materially untrue information which he provided in his Maine application for nonresident producer licensing, by failing to disclose the above bankruptcy proceeding and the Connecticut administrative action when he applied in Maine, and certifying by his signature that the information was true and complete. Although he subsequently brought the discrepancy to the Bureau's attention in his 2007 application to add Surplus Lines authority, he has not provided any adequate legal explanation for his failure to provide accurate information at the time of the application and issuance of his license in 2004.

8. The provision of incorrect, misleading, incomplete or materially untrue information in a license application constitutes grounds for denial of the license application, revocation of the license, or other appropriate action, including the imposition of a civil penalty, under 24-A M.R.S.A. §1420-K(1)(A).

COVENANTS

9. Joseph Scott Klein, the Maine Bureau of Insurance, and the Maine Department of the Attorney General agree to the following.

10. This Consent Agreement is entered into in accordance with 10 M.R.S.A. § 8003(5)(B) and is not subject to review or appeal. This Consent Agreement is enforceable by an action in the Superior Court.

11. At the time of executing this Consent Agreement, Mr. Klein will remit to the Maine Bureau of Insurance a civil penalty in the amount of \$500.00, payable to the Treasurer of the State of Maine.

12. Mr. Klein will promptly report any matters to the Maine Bureau of Insurance during all times as he is licensed through the Bureau, to the extent such reporting is required under the Maine Insurance Code, and will comply in all other respects with the provisions of the Maine Insurance Code, as applicable.

13. In consideration of the execution of this Consent Agreement, the State of Maine Bureau of Insurance will issue the Surplus Lines authority applied for, and will not pursue further action against Mr. Klein's existing Nonresident Producer License based upon the specific facts recited in this Consent Agreement.

14. Mr. Klein understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 MRSA § 402, and will be available for public inspection and copying as provided for by 1 MRSA § 408, and will be reported to the NAIC "RIRS" database.

15. In consideration of the applicant's execution of and compliance with the terms of this Consent Agreement, the Superintendent of Insurance, Bureau of Insurance, and Department of the Attorney General agree to forgo pursuing further disciplinary measures or other civil or administrative sanction for the actions described in this Consent Agreement, other than those agreed to herein. However, should Mr. Klein violate this Consent Agreement, he may be subject to any available legal remedy for the violation, including without limitation the suspension or revocation of all licenses issued under the Maine Insurance Code.

16. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.

Joseph Scott Klein

Dated: _____, _____

Joseph Scott Klein

State of New Jersey, _____, ss

Subscribed and Sworn to before me
this _____ day of _____, 2007.

Notary Public

(printed name)

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: _____, _____

Eric A. Cioppa, Acting Superintendent

FOR THE DEPARTMENT OF THE ATTORNEY GENERAL

Dated: _____, _____

Assistant Attorney General

(printed name)