

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:

Kenneth R. Scott
1743 Meyer Way
Jamison, PA 18929

:
:
:
: Docket No. AG04-09-042
:

Appellant

SETTLEMENT AGREEMENT

THIS AGREEMENT is made this 14th day of February, 2005, between the Insurance Department of the Commonwealth of Pennsylvania ("Department") and Kenneth R. Scott ("Appellant").

BACKGROUND

WHEREAS, Appellant is an adult individual born on March, 3, 1954 who maintains a residential address at 1743 Meyer Way, Jamison, PA, 18929.

WHEREAS, Appellant has a criminal history having been convicted as follows:

- (A) Guilty plea on March 4, 1976 resulting in a sentence of one year probation and a fine of \$1,000 for:
- i. Misdemeanor possession of a controlled substance (35 P.S. §780-113(a)(16));
 - ii. Felony possession with intent to manufacture or deliver a controlled substance (35 Pa. C.S. §780-113(a)(30)); and
 - iii. Felony criminal conspiracy (18 Pa. C.S. §903).

- (B) Guilty plea on April 15, 1983 resulting in a sentence of one year probation plus fines and costs for:
- i. Felony possession with intent to manufacture or deliver a controlled substance (35 Pa. C.S. §780-113(a)(30)); and
 - ii. Misdemeanor possession of a controlled substance (35 P.S. §780-113(a)(16)).

WHEREAS, Appellant successfully completed the terms of his sentences described-above and has had no further involvement with the criminal justice system in more than twenty (20) years.

WHEREAS, Appellant submitted an Individual Insurance Producer Application (“application”) to the Department dated November 7, 2003 in which he denied that he had ever been convicted of or pled nolo contendere (no contest) to any misdemeanor or felony.

WHEREAS, the Department initially denied Appellant’s application due to his criminal convictions and his provision of false or misleading information on the application.

WHEREAS, Appellant also submitted to the Department an Application for Written Consent (“§1033 application”) to engage in the business of insurance pursuant to 18 U.S.C. §1033(e)(2).

WHEREAS, although no formal or official denial of his §1033 application had been issued, Appellant filed an appeal of the Department's decision to deny his license application under the above-captioned docket number.

WHEREAS, in an effort to settle the disputes arising out of this case, the parties hereto have agreed to settle, inter alia, all claims asserted in this case and all claims which the Department, on the one hand, and Appellant, on the other hand, have against each other, arising out of, or in any way related to the above-described matter, all subject to, and on the terms and conditions hereinafter set forth.

AGREEMENTS

NOW THEREFORE, the parties hereto, intending to be legally bound, hereby agree:

1. Appellant shall abide by all of the terms and conditions set forth the Consent Order under Docket Number CW05-01-030 executed by him.
2. Within 30 days of the execution of this Settlement Agreement and the satisfaction of all conditions set forth in the Consent Order referenced-above, the Department shall issue an insurance producer license to Appellant based upon his earlier application so that he may engage in the business of insurance as an insurance agent.
3. This agreement is made solely for the purpose of resolving the differences between the parties addressed herein, and nothing in this Agreement shall be construed as or constitutes an admission of liability by any party hereto or an admission of the validity or enforceability of any claims or demands released hereby.

4. For and in consideration of Appellant's release and discharge of the Department from any action, claim or demand arising out of its denial of his application as described-above, the Department hereby releases and discharges Appellant from any claims in any court which the Department has or may have as a result of the denial of his application. It is agreed and understood that the aforementioned release and discharge include all costs and attorneys' fees related to this matter.

5. For and in consideration of the Department's release and discharge of Appellant from any action, claim or demand arising out of the denial of his application, Appellant hereby releases and discharges the Department from any claims in any court which Appellant has or may have as a result of the denial of his application.

6. Miscellaneous.

(A) Captions and Section headings. Captions used herein are for convenience only, and are not a part hereof, and shall not be used in construing this Agreement.

(B) Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns, and, in addition hereto, shall be binding upon any receiver, liquidator, rehabilitator, conservator, supervisor and any other person or entity governmental or non-governmental, exercising or seeking to exercise the powers of the persons named above.

(C) Governing Law. This Agreement shall be governed by, and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(D) Integration. This Settlement Agreement, subject to the terms and conditions of the Consent Order under Docket Number CW05-01-030 contains the entire


agreement of the parties respecting the subject matter herein and supersedes all previous communications, representations, or agreements, either verbal or written, among the parties.

(E) Copies. This Agreement is executed in multiple copies, each of which is to be treated as an original.

Executed this day and year first above written.


Kenneth R. Scott, Appellant

INSURANCE DEPARTMENT OF THE
COMMONWEALTH OF PENNSYLVANIA

By: 
Ronald Gallagher
Deputy Insurance Commissioner
Insurance Department of the
Commonwealth of Pennsylvania
Counsel for the Insurance Department of the
Commonwealth of Pennsylvania