

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

BEFORE THE INDIANA  
COMMISSIONER OF INSURANCE

CAUSE NUMBER:11646-AD12-1015-048

IN THE MATTER OF: )  
 )  
Insurance Agent License )  
Application of: )  
 )  
Scott R. Fetting )  
8710 Maple Hill Dr. )  
Indianapolis, IN 46239 )

**FILED**

APR 26 2013

STATE OF INDIANA  
DEPT. OF INSURANCE

**FINAL ORDER**

On March 28, 2013, the appointed Administrative Law Judge, Wade D. Fulford, filed his Findings of Fact, Conclusions of Law, and Recommended Order in the above-captioned matter.

1. The Department served Findings of Fact, Conclusions of Law, and Recommended Order and Notice of Filing of Recommended Order on Applicant by mailing the same to his home address.

2. The Department has complied with the notice requirements of Ind. Code §4-21.5-3-17.

3. Applicant has not filed an objection with the Commissioner regarding the Administrative Law Judge's Recommended Order, and more than eighteen (18) days have elapsed.

THEREFORE, the Commissioner of Insurance, being fully advised, now hereby adopts in full the Administrative Law Judge's Findings of Fact, Conclusions of Law, and Recommended Order, and issues the following Final Order:

IT IS THEREFORE ORDERED by the Commissioner of Insurance:

1. The Preliminary Administrative Order and Notice of License Denial of November 20, 2012 is upheld, denying Applicant's insurance producer license application.
2. Applicant's Application for Written Consent to Engage in the Business of Insurance Pursuant to 18 U.S.C. §§1033 and 1034 is denied.

Under Ind. Code §4-21.5-5-5, Applicant has the right to appeal this Final Order by filing a petition for judicial review in the appropriate court within thirty (30) days.

ALL OF WHICH IS Ordered by the Commissioner this 26<sup>th</sup> day of April, 2013.

  
Stephen W. Robertson, Commissioner  
Indiana Department of Insurance

Distribution:

Scott R. Fetting  
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Indianapolis, IN 46239

Robert L. Hummel, Attorney  
Indiana Department of Insurance  
311 W. Washington St., Suite 103  
Indianapolis, IN 46204

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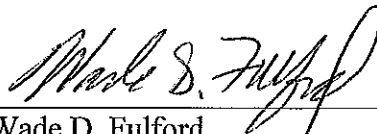
MAR 28 2013

STATE OF INDIANA  
DEPT. OF INSURANCE

**NOTICE OF FILING OF RECOMMENDED ORDER**

The parties of this action are hereby notified that the Administrative Law Judge's Findings of Fact, Conclusions of Law and Recommended Order are deemed filed as of this date.

To preserve an objection to this order for judicial review, you must object to the order in a writing that: 1) identifies the basis for your objection with reasonable particularity; and 2) is filed with the ultimate authority for the Final Order, the Commissioner of the Department of Insurance within eighteen (18) days from the date of this Order.

  
\_\_\_\_\_  
Wade D. Fulford  
Administrative Law Judge

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STATE OF INDIANA  
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**FINDINGS OF FACT, CONCLUSIONS OF LAW,  
AND RECOMMENDED ORDER**

Administrative Law Judge Wade D. Fulford, having considered and reviewed all of the evidence, will now render a decision in the matter of Applicant Scott R. Fetting ("Applicant") under Cause No. 11646-AD12-1015-048. This matter came to be heard on January 8, 2013 before Administrative Law Judge Wade D. Fulford at the Indiana Department of Insurance, 311 West Washington Street, Indianapolis, Indiana.

The Indiana Department of Insurance ("Department") was represented at the hearing by counsel, Robert L. Hummel. Applicant, Scott Fetting, attended the hearing and was represented *pro se* in this matter. At the hearing, Applicant testified under oath, evidence was heard, and exhibits were received into evidence.

Based upon the evidence presented at the hearing, the Administrative Law Judge now makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

## FINDINGS OF FACT

1. Applicant was properly notified of the above referenced hearing date and time by U.S. Certified Mail #9214 8901 0661 5400 0008 2157 78.

2. The Department received Applicant's life and health insurance producer license application on or about October 3, 2012. *Exhibit 1.*

3. Applicant's license application was denied on November 20, 2012 by order of the Commissioner due to Applicant having pled guilty to the felonies of Conspiracy to Commit Mail Fraud and Money Laundering in the United States District Court, Southern District of Indiana in 2003.

4. Applicant testified that he currently works for Tek Collect, a collection company, but has worked there only three (3) weeks and has not received his first pay check which is based on commissions only. *Transcript p. 23.*

5. In 1994, Applicant established a business named Four Star Financial along with three business partners. *Transcript p. 31.*

6. In January 2000, Applicant separated from Four Star Financial and established a business named Mill-Indy-M Mortgage to assist consumers with mortgage loans. *Exhibit 2.*

7. Applicant testified that he perceived that cheating was the industry standard in the mortgage broker business and he was led down the path of cheating by the industry. *Transcript p. 8.*

8. Applicant testified that the cheating and addictive lifestyle does not represent who he was or who he is today. Applicant credits his relationship with God throughout the past ten (10) years for helping him move forward. *Transcript p. 9.*

9. Applicant testified that while working in the mortgage brokerage business, he was engaged in inflating purchase prices of property to match the appraised property value to enable purchasers with poor credit to obtain loans for the full amount of the actual purchase price. *Transcript pp. 27-30.*

10. Applicant admitted that the only money that was ever laundered was his own. *Transcript p. 28.*

11. Applicant testified to lying and cheating from 1994-2000 while working at Four Star Financial. Applicant began laundering money in 2000 when he established his own business, Mill-Indy-M Mortgage. *Transcript pp. 32-33.*

12. Applicant testified that he knew what he was doing was wrong both morally and legally. *Transcript p. 33.*

13. Federal criminal charges were brought against Applicant in 2003. *Exhibit 2.*

14. In September 2003, Applicant pled guilty to federal charges of Conspiracy to Commit Mail Fraud and Money Laundering and was sentenced to fifteen (15) months in the federal prison in Terre Haute, Indiana, three (3) years probation, and found jointly and severally liable along with Chris Wine to pay one hundred and eighty four thousand three hundred and twenty dollars and ninety-three cents (\$184,320.93) in restitution. *Exhibit 5.*

15. Applicant testified that he actually spent thirteen (13) months in federal prison and served three (3) years on probation. *Exhibit 2, Transcript p. 34.*

16. Applicant cooperated with court order granting probation officers access to any requested financial information. Once a year, Applicant had to complete a financial state, submit check stubs, W-2s, and copies of bills. *Transcript p. 43.*

17. Applicant testified that the restitution was paid in full in June 2012. The remaining balance, approximately fifteen thousand dollars (\$15,000), was obtained in the refinance of his personal mortgage. *Transcript p. 37.*

18. Applicant testified that co-conspirator Chris Wine paid between thirty thousand dollars and thirty-five thousand dollars (\$30,000 – 35,000) of the total one hundred and eighty four thousand three hundred and twenty dollars and ninety-three cents (\$184,320.93) owed in restitution. *Transcript pp. 38-39.*

19. Applicant submitted a letter dated July 13, 2012 from the U.S. Attorney's office in Indianapolis, Indiana stating that the restitution lien against Applicant was released. *Exhibit 6.*

20. Applicant testified that his mail fraud conviction came about because he transmitted false information on documentation via fax or the U.S. Mail that led to certain decisions being made by a credit grantor. *Transcript p. 40.*

21. Four (4) financial companies were listed as payees for the restitution owed by Applicant and Chris Wine but Applicant testified that there were dozens of companies he dealt with besides the four (4) named companies but he did not know whether money was owed to any other companies. Applicant testified that only the four (4) named companies came forward with claims against Applicant and Mr. Wine. *Exhibit 5, Transcript pp. 45-46.*

22. Applicant's sentence departed from the sentencing guideline because he cooperated with federal authorities by providing documents and agreeing to wear a wire tap during a meeting with an investor. *Transcript p. 51.*

23. Applicant submitted an Indiana State Police criminal history report that shows no record of a criminal history. *Exhibit A.*



24. Applicant submitted an Indianapolis Metropolitan Police Department criminal history report that shows no record of a criminal history. *Exhibit B*.

25. Applicant's credit report shows a tax lien of twenty-six thousand three hundred and six dollars (\$26,306.00) which represented taxes and penalties for early withdrawal of more than one hundred thousand dollars (\$100,000.00) in a retirement account. The lien was reduced to approximately twenty-one thousand dollars (\$21,000.00) and has been paid off. *Exhibit C, Transcript pp. 18-20.*

26. On October 3, 2012, Applicant submitted an Application for Written Consent to Engage in the Business of Insurance Pursuant to 18 U.S.C. §§1033 and 1034. *Exhibit 3.*

27. The administrative law judge (ALJ) gave Applicant the opportunity to submit letters of recommendation as well as his own version of proposed findings of fact and recommendation to the ALJ within thirty (30) days. *Transcript pp. 60, 64-66.*

28. On February 4, 2013, Applicant submitted a cover letter along with six (6) letters of recommendation which were provided to both counsel for the Department and the ALJ.

### **CONCLUSIONS OF LAW**

1. The Commissioner of Insurance has jurisdiction over both the subject matter and the parties to this action.

2. This hearing was held in compliance with the Administrative Orders and Procedures Act of the Indiana Code, codified at Ind. Code § 4-21.5 et seq. All procedures and rules set forth by such Act have been followed in this matter.

3. Service of process was completed via the use of the United States Mail in compliance with the statute and due process requirements.

4. Applicant pled guilty to federal charges of felony conspiracy to commit mail fraud and felony money laundering in September 2003.

5. Both felonies reflect serious violations of the law involving risk of untrustworthiness and financial irresponsibility.

6. Insurance producers are typically involved with sales operations and frequently deal with money transactions.

7. Ind. Code §27-1-15.6-12(b)(6) states that the Commissioner may refuse to issue an insurance producer license if the applicant has been convicted of a felony.

8. Applicant has failed to meet his burden of proof to show that the Commissioner's decision to deny the insurance producer license application should be reversed.

9. Findings of Fact that can be adopted as a Conclusion of Law are hereby incorporated herein as such.

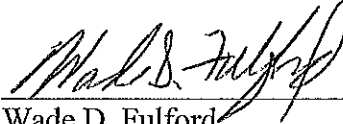
### **RECOMMENDED ORDER**

With the Findings of Fact and the Conclusions of Law as stated, the Administrative Law Judge now recommends to the Commissioner of Insurance the following:

1. The Preliminary Administrative Order and Notice of License Denial of November 20, 2012 should be upheld, denying Applicant's insurance producer license application.

2. Applicant's Application for Written Consent to Engage in the Business of Insurance Pursuant to 18 U.S.C. §§1033 and 1034 should be denied.

ALL OF WHICH IS ADOPTED by the Administrative Law Judge and recommended to  
the Commissioner this 28<sup>th</sup> day of March, 2013.

  
Wade D. Fulford

Administrative Law Judge

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