

**FINAL ORDER**

**Effective: 09-15-08**

**BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS**

|   |   |                    |
|---|---|--------------------|
| In the Matter of the Kansas             | ) |                    |
| Resident Insurance Agent’s License of   | ) | Docket No. 3923-SO |
| COLIN P. LINDSEY                        | ) |                    |
| NPN #4890007                            | ) |                    |
|   | ) |                    |
| In the Matter of the Kansas             | ) |                    |
| Nonresident Insurance Agency License of | ) |                    |
| Balcarres Group, LLC                    | ) | 3924-SO            |
|   | ) |                    |
| In the Matter of the Kansas             | ) |                    |
| Resident Insurance Agency License of    | ) |                    |
| Morgan Ross, LLC                        | ) | 3925-SO            |

**SUMMARY ORDER**

(Pursuant to K.S.A. 2007 Supp. 40-4909 and K.S.A. 77-501 *et. seq.*)

Pursuant to the authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. 40-4909, the Commissioner hereby revokes the resident agent’s license of Respondent, Colin P. Lindsey (“Mr. Lindsey”); the nonresident agency license of Balcarres Group, LLC; and the resident agency license of Morgan Ross, LLC. This Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

**Findings of Fact**

The Commissioner finds the following facts:

1. Records maintained by the Kansas Insurance Department (“KID”) indicate you are licensed as a resident agent to transact the business of insurance in the State of Kansas, and have been so licensed since March 19, 1998.
2. KID records further indicate a legal address and mailing address of 14941 Rhodes Cir., Lenexa, KS 66215-6117.

3. KID records further indicate that you are the owner and sole agent for the following agencies:
  - A. Balcarres Group, LLC, (“Balcarres”) with a legal address of 1000 E. William St., Carson City, NV 89701 and a mailing address of 700 Elm St., Ste. 701, Manchester, NH 03101. Records indicate that Balcarres was licensed as a nonresident agency to transact the business of insurance in the State of Kansas on January 12, 2007.
  - B. Morgan Ross, LLC, (“Morgan Ross”) with a legal and mailing address of 10955 Lowell, Ste. 810, Overland Park, KS 66210. Records indicate that Morgan Ross was licensed as a resident agency to transact the business of insurance in the State of Kansas on June 11, 2002.
4. In February 11, 2008, the New Hampshire Banking Department (“Banking Department”) filed a petition for an Order for Liquidation of Noble Trust Company (“Noble”) in the Superior Court for Merrimack County, New Hampshire. As support for the petition, Robert A. Fleury, Deputy Commissioner of the Banking Department, and appointed Conservator for Noble, filed an affidavit with the court, stating, inter alia, the following:
  - A. Colin P. Lindsey is the president and a director of Noble.
  - B. Colin P. Lindsey engaged in unsound business practices and transactions as agent of Noble.
  - C. Colin P. Lindsey made false statements and misleading statements concerning Noble’s operations and business.

- D. Colin P. Lindsey concealed from Noble clients who had invested in Sierra Factoring, LLC. (“Sierra”), the financial default of Sierra and Colin P. Lindsey took affirmative action to conceal from Noble clients the true financial status of Sierra by continuing to make interest payments and principal buyout payments to Noble clients who had invested in Sierra Factoring, LLC.
5. Based on the Affidavit of Robert A. Fleury, the Superior Court concluded that the Banking Department had presented sufficient evidence of improper activities to be granted a Temporary Restraining Order and Preliminary Injunction and ordered the Banking Department to seize the record and assets of Noble Trust.
  6. On February 22, 2008, the New Hampshire Insurance Department filed an Order to Show Cause and Notice of Hearing regarding Colin P. Lindsey and Balcarres.
  7. On March 27, 2008 an Order Appointing Liquidator was filed in Merrimack County Superior Court regarding not only Noble Trust, but Balcarres as well. That order authorized the Liquidator to take possession of and secure the assets, property, books, records, accounts and other documents of Noble Trust, Balcarres and Aegean Scotia.
  8. On May 8, 2008, a Settlement and Agreement Order was reached between Colin P. Lindsey and the New Hampshire Insurance Department. In this order, the Respondent, Colin P. Lindsey, agreed to the immediate revocation of his insurance producer’s license in the State of New Hampshire. To date, Colin P. Lindsey has failed to notify KID of his revocation.

9. On June 3, 2008, the New Hampshire Insurance Department filed an Order revoking the insurance producer license issued to Balcarres. To date, Colin P. Lindsey has failed to notify KID of the revocation of Balcarres' New Hampshire license.

**Applicable Law**

10. K.S.A. 2006 Supp. 40-4909 states, in pertinent part:
- (a) The commissioner may deny, suspend, revoke, or refuse renewal of any license issued under this act if the commissioner finds that the applicant or license holder has:
    - (2) Violated
      - (A) any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rule or regulation promulgated thereunder;
      - (8) Used any fraudulent, coercive, or dishonest practice, or demonstrated any incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.
  - (b) In addition, the commissioner may suspend, revoke or refuse renewal of any license issued under this act if the commissioner finds that the interests of the insurer or the insurable interests of the public are not properly served under such license.
  - (d) The license of any business entity may be suspended, revoked or refused renewal if the insurance commissioner finds that any violation committed by an individual licensee employed by or acting on behalf of such business entity was known or should have been known by one or more of the partners, officers or managers acting on behalf of such business entity and;
    - (1) such violation was not reported to the insurance commissioner by such business entity.
11. KA.R. 40-7-9 states, in pertinent part: Each person licensed in this state as an insurance agent shall report the following to the commissioner of insurance within 30 days of occurrence:
- (a) Each disciplinary action on the agent's license or licenses by the insurance regulatory agency of any other state or territory of the United States.

### Conclusions of Law

12. The Commissioner has jurisdiction over Respondents as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
13. The Commissioner finds that Respondent's conduct in regards to Noble Trust, Balcarres, and Aegean Scotia demonstrates incompetence in the conduct of business in this state or elsewhere and constitutes a violation of K.S.A. 2007 Supp. 40-4909(a)(8).
14. The Commissioner finds, pursuant to K.S.A. 40-4909(b), that the insurable interests of the public are not properly served under Respondents, licenses.
15. The Commissioner finds that Respondent Colin P. Lindsey's agent license along with the agency license of Balcarres Group LLC were revoked in the State of New Hampshire on May 8, 2008 and June 3, 2008 respectively and Respondent, Colin P. Lindsey has failed to notify KID of either revocation, a violation of K.A.R. 40-7-9.
16. Accordingly, the Commissioner concludes sufficient grounds exist for the revocation of the insurance agent's license of Colin P. Lindsey; the insurance agency license of Balcarres Group, LLC and the agency license of Morgan Ross, LLC pursuant to K.S.A. 2007 Supp. 40-4909(a) and (b).

**IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:**

1. The Kansas Resident Insurance Agent's License of COLIN P. LINSEY is hereby **REVOKED** effective the effective date of this Order.
2. The Kansas Nonresident Insurance Agency License of Balcarres Group, LLC is hereby **REVOKED** effective the effective date of this Order.

3. The Kansas Resident Insurance Agency license of Morgan Ross, LLC is hereby **REVOKED** effective the effective date of this Order.

4. **IT IS FURTHER ORDERED** that COLIN P. LINSEY; BALCARRES GROUP, LLC; AND MORGAN ROSS, LLC shall **CEASE** and **DESIST** from the sale, solicitation or negotiation of insurance and/or receiving compensation deriving from the sale, solicitation or negotiation of insurance conducted after the effective date of this Order.

**NOTICE AND OPPORTUNITY FOR HEARING**

Colin P. Lindsey; Balcarres Group, LLC and Morgan Ross, LLC, within fifteen (15) days of service of this Summary Order, may file with the Kansas Insurance Department a written request for hearing on this Summary Order, as provided by K.S.A. 77-542. In the event a hearing is requested, such request should be directed to:

John W. Campbell, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the agent/agency who is the subject of the hearing as provided by K.S.A. 40-4909(f). Costs shall include witness fees, mileage allowances, any costs associated with reproduction of documents which become part of the hearing record, and the expense of making a record of the hearing.

If a hearing is not requested, this Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period for requesting a hearing. The Final Order will constitute final agency action in the matter.

In the event the Petitioner files a petition for judicial review, the agency officer designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> St.  
Topeka, Kansas 66612

IT IS SO ORDERED THIS   26th   DAY OF AUGUST, 2008, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Sandy Praeger  
Sandy Praeger  
Commissioner of Insurance

By:

/s/ John W. Campbell  
John W. Campbell  
General Counsel

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that she served the above and foregoing Summary Order on this   26th   day of   Aug.  , 2008, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Colin P. Lindsey  
14941 Rhodes Cir.  
Lenexa, KS 66215-6117

Balcarres Group, LLC  
900 Elm St., Ste. 701  
Manchester, NH 03101

Morgan Ross, LLC  
10955 Lowell Ste. 810  
Overland Park, KS 66210

/s/ Stacy R. Bond  
Stacy R. Bond  
Staff Attorney

**NOTICE OF RIGHTS**

Pursuant to K.S.A. §77-601 et seq. Colin P. Lindsey, Balcarres Group, LLC, and Morgan Ross, LLC, are entitled to judicial review of this Final Order. The petition for judicial review must be filed within thirty (30) days of service of this Final Order (Plus three (3) days for service by mail pursuant to K.S.A. §77-531). In the event, Colin P. Lindsey, Balcarres Group, LLC, or Morgan Ross, LLC files a petition for judicial review pursuant to K.S.A. §77-613(e), the Agency Officer to be served on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel  
Kansas Insurance Department  
420 S.W. 9th Street  
Topeka, Kansas 66612

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that she served the above and foregoing Final Order on this \_\_18th\_\_ day of September, 2008, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Colin P. Lindsey  
14941 Rhodes Cir.  
Lenexa, KS 66215-6117

Balcarres Group, LLC  
900 Elm St., Ste. 701  
Manchester, NH 03101

Morgan Ross, LLC  
10955 Lowell Ste. 810  
Overland Park, KS 66210

\_s/ Stacy R. Bond\_\_\_\_\_

Stacy R. Bond  
Staff Attorney