



**COMMONWEALTH OF MASSACHUSETTS**  
**Office of Consumer Affairs and Business Regulation**  
**DIVISION OF INSURANCE**

1000 Washington Street • Suite 810 • Boston, MA 02118-6200  
(617) 521-7794 • FAX (617) 521-7475  
<http://www.mass.gov/doi>

CHARLES D. BAKER  
GOVERNOR

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JAY ASH  
SECRETARY OF HOUSING AND  
ECONOMIC DEVELOPMENT

JOHN C. CHAPMAN  
UNDERSECRETARY

DANIEL R. JUDSON  
COMMISSIONER OF INSURANCE

July 28, 2016

John R. Baltes  
121 East Water Street  
Troy, Ohio 45373

RE: John R. Baltes – SIU Investigation No. 8957

Dear Mr. Baltes:

I represent the Massachusetts Division of Insurance (“Division”) with regard to the above-captioned investigation. Pursuant to an investigation conducted by the Division’s Special Investigations Unit, the Division has cause to believe that you have violated the Massachusetts insurance laws set forth below by the conduct detailed in this settlement letter.

On.

The conduct described above is evidence of the following violations:

Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in the Commonwealth or elsewhere, M.G.L. c. 175 § 162R(a)(8). Such conduct may result in your insurance license being placed on probation, suspended or revoked pursuant to M.G.L. c. 175 § 162R(a), as well as the imposition of a fine up to \$1,000 for each and every violation as provided under M.G.L. c. 176D, § 7.

Having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory, M.G.L. c. 175 § 162R(a)(9). Such conduct may result in your insurance license being placed on probation, suspended or revoked pursuant to M.G.L. c. 175 § 162R(a), as well as the imposition of a fine up to \$1,000 for each and every violation as provided under M.G.L. c. 176D, § 7.

A producer shall report to the Commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in the Commonwealth within 30 days of the final disposition of the matter, M.G.L. c. 175 §

162V(a). Pursuant to M.G.L. c. 175, § 194, the penalty for each violation of M.G.L. c. 175, §162V (a) is a fine of up to \$500.

The Division is authorized to issue an order requiring you to show cause why you should not be made to cease and desist from the above alleged conduct. If, after a public hearing, the Commissioner of Insurance finds that you did commit the alleged violations, he may impose a fine up to the amounts listed above, as well as a revocation of your Massachusetts insurance producer license pursuant to M.G.L. c. 175 § 162R(a) and c. 176D § 7.

The Division proposes to resolve this matter through a settlement if you agree to waive the right to a public hearing, agree to cease and desist from the above-alleged conduct and agree to a revocation of your license. **Although the Division has authority to do so, for the purpose of this settlement agreement, the Division agrees not to impose a fine.**

If you choose to accept the Division's offer, please sign the enclosed *Settlement Agreement* where indicated, and return it to my attention on or before **August 19, 2016**. Although this correspondence does not constitute the required statutory notice of a public hearing, if this matter is not resolved by **August 19, 2016**, the Division intends to file its Order to Show Cause and will notify you of the hearing date.

Thank you for your prompt attention to this matter. Should you have any questions or wish to discuss this matter further, I may be reached at (617) 521 – 7321 or via email at Matthew.Burke@state.ma.us.

Sincerely,

Matthew M. Burke



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Counsel to the Commissioner

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**SETTLEMENT AGREEMENT**  
***John R. Baltes – SIU Investigation # 8957***

This Settlement Agreement (“Agreement”) is made by and between the Commonwealth of Massachusetts Division of Insurance (“Division”), with offices at 1000 Washington Street, Boston, Massachusetts 02118 and John R. Baltes (“Baltes”) a nonresident licensed individual producer under the laws of the Commonwealth of Massachusetts (“Commonwealth”), with a mailing and residential address of 121 East Water Street, Troy, Ohio 45373.

WHEREAS, Baltes is licensed by the Division as a nonresident individual producer pursuant to M.G.L. c. 175 § 162H *et seq.*; and

WHEREAS, an insurance producer licensed in the Commonwealth must uphold the standards in M.G.L. c. 175 § 162H *et seq.* and must comply with the Commonwealth’s insurance laws, including without limitation, those set forth in M.G.L. c. 175 and M.G.L. c. 176D; the Code of Massachusetts Regulations; and any other regulatory requirements; each of which give the Commissioner or Insurance review, approval, and enforcement authority over licenses; and

WHEREAS, the Division has conducted an investigation, Special Investigation Number 8957, and contends that the alleged acts and conduct of Baltes as set forth in part in the Division’s correspondence dated **July 28, 2016**, a copy of which is attached and incorporated by reference and made a part of this Agreement, constitute grounds for revocation of Baltes’ license; and

WHEREAS, if after a public hearing the Commissioner of Insurance (“Commissioner”), were to find sufficient evidence to determine that Baltes did commit the alleged violations, the Commissioner could order the revocation of Baltes’ insurance producer license(s) pursuant to M.G.L. c. 175, §162R(a) and c. 176D, and order Baltes to pay a civil fine ; and

WHEREAS, Baltes is aware of his rights to notice and to a public administrative hearing with respect to the alleged violations of Massachusetts insurance laws in these matters, and hereby waives those rights.

NOW THEREFORE, in consideration of the foregoing and the covenants, warranties, representations, and agreements contained herein, it is mutually agreed as follows:

1. Baltes’ insurance producer license is hereby permanently revoked as of **August 19, 2016** and shall be returned to the Division on that date. A copy of this signed Agreement must be returned to the Division by **August 19, 2016**.
2. Baltes agrees to cease and desist from conducting the business of insurance, including selling, soliciting or negotiating insurance, holding himself out as a licensed insurance producer, or otherwise acting as an insurance producer as of **August 19, 2016**.
3. As of **August 19, 2016**, Baltes is prohibited from soliciting, aiding in the placement, continuation, or negotiation of insurance policies or taking any action which may lead any person or entity to believe that Baltes is authorized in the

Commonwealth to engage in the business of insurance in any capacity, including without limitation, acting as a licensed insurance producer, special insurance broker, public adjuster, insurance advisor, viatical loan provider, viatical broker, viatical settlement broker, viatical settlement provider, reinsurance intermediary broker, reinsurance intermediary manager, or any other licensed insurance professional.

4. In accordance with M.G.L. c. 175, §166B and the terms of this Agreement, Baltes shall dispose of any and all interest (direct and indirect) he may have, including without limitation, as proprietor, partner, stockholder, officer, employee of any licensed insurance producer in the Commonwealth by **August 19, 2016**.
5. As of **August 19, 2016**, Baltes is prohibited from owning, managing, directing or being an employee, consultant or independent contractor, partner, director or officer, paid or unpaid, of any insurance related business in the Commonwealth. Baltes shall return to the Division any insurance producer license in his possession, custody or control.
6. Except as expressly set forth in this Agreement, the failure of the Division at any time to require strict performance by Baltes of any terms, provisions, or conditions hereof shall in no way affect the right thereafter to enforce the same, nor shall the waiver by the Division of any breach of any of the terms, provisions, and conditions hereof be construed or deemed a waiver of any succeeding breach of any term, provision, or condition thereof.
7. In the event that the Division finds that there has been a breach of any provision of this Agreement, the Division may, in its discretion, pursue any and all legal remedies permitted by the Massachusetts insurance laws as well as any other appropriate law of the Commonwealth.
8. The provisions of this Agreement may be amended, modified, or expanded solely in writing by joint consent of the Division and Baltes.

SIGNED:

\_\_\_\_\_  
John R. Baltes

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Commonwealth of Massachusetts  
Division of Insurance  
By: Matthew M. Burke  
Counsel to the Commissioner

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_