



October 2, 2020

**SENT VIA U.S. FIRST CLASS AND CERTIFIED MAIL**

Chad Friese  
2175 29<sup>th</sup> Ave NE  
Harvey, ND 58341

7015 1520 0003 3179 8093

RE: Application for Insurance Producer License

Dear Mr. Friese,

This letter is to notify you that your application for licensure as a nonresident insurance producer in South Dakota has been denied. The reason for the denial is as follows:

You submitted an application for an individual nonresident insurance producer license to the South Dakota Division of Insurance ("Division") on June 15, 2020. You answered "yes" to question 2 of the licensing application asking if you had ever been involved in administrative actions. The Division conducted an investigation that confirmed you were subject to a 2013 North Dakota administrative action for having a criminal history, lack of fitness and trustworthiness, and a fiduciary violation. The Division also confirmed a 2016 North Dakota action involving a rebate, a \$1,500 fine, and a consent order. You submitted documentation related to the 2016 action as per the application's instructions, but provided no documentation regarding the 2013 action.

On July 15, 2020, the Division emailed you and requested documentation related to the 2013 administrative action as well as a written explanation as to why it was not previously provided. On July 29, 2020, you provided a copy of a North Dakota consent order that revealed further action had been taken by the FDIC regarding the 2013 matter, and that the FDIC had issued an Order of Prohibition from Further Participation. The Division requested a copy of the FDIC Order, which was provided by you on July 30, 2020. The FDIC order is dated July 20, 2012 and states there is reason to believe that you had engaged in misconduct and breached fiduciary duties through the unauthorized use of bank funds as well as concealment of the activity. The bank allegedly suffered financial loss or other damage while you benefited from the conduct.

Based on the above information, your application is denied under SDCL § 58-30-167(1), (2), and (8) for providing incorrect, misleading, or materially untrue information on your license application, violating another state's insurance laws, and demonstrating incompetence or untrustworthiness in the conduct of business in this state or elsewhere.

Please note that this denial is considered an administrative action which will be reported to the database maintained by the National Association of Insurance Commissioners. If an administrative action occurs, an insurance producer may be required to report the action to any and all states in which an insurance license is held and in accordance with the timeframes and requirements of each state.



SOUTH DAKOTA  
DEPT. OF **LABOR**  
& **REGULATION**

**DIVISION OF INSURANCE**

Tel: 605.773.3563 | Fax: 605.773.5369 | [dlr.sd.gov/securities](http://dlr.sd.gov/securities)

Pursuant to SDCL § 58-30-168, you may make a written request to the Division of Insurance within thirty days of the date of this denial for a hearing to determine the reasonableness of this decision to deny your application for licensure.

Sincerely,

*Maggie Dell*

Maggie Dell, *Assistant Director*  
South Dakota Division of Insurance  
Department of Labor and Regulation

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| PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions                       |                  |