



State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS & PROFESSIONAL REGISTRATION

IN RE:

Gregory Prude,

Applicant.

)
)
)
)
)

Case No. 131001543C

ORDER REFUSING TO ISSUE INSURANCE PRODUCER LICENSE

On December 11, 2013, the Consumer Affairs Division submitted a Petition to the Director alleging cause for refusing to issue Gregory Prude's insurance producer license. After reviewing the Petition, the Investigative Report, and the entirety of the file, the Director issues the following findings of fact, conclusions of law, and order.

FINDINGS OF FACT

1. Gregory Prude ("Prude") is a Georgia resident with a residential, business, and mailing address of 1199 Huff Road NW Unit 105, Atlanta, GA 30318-4108.
2. On or about December 17, 2012, the Department of Insurance, Financial Institutions and Professional Registration ("Department") received an electronic non-resident insurance producer license application ("Application") from Prude.
3. The Department previously issued Prude a non-resident insurance producer license on February 2, 2007 (License No. 0387840) which expired on February 2, 2009.
4. In the section of the Application headed "Background Questions," Background Question # 2 asks, in relevant part, "Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration? 'Involved' means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned or surrendering a license to resolve an administrative action."
5. Prude answered "No" to Background Question # 2.
6. Prude failed to disclose his involvement in the following two administrative proceedings on the Application:
 - a. On March 1, 2012, the Arkansas State Insurance Department entered a Suspension Order with regard to Prude's Arkansas Nonresident Producer License No. 378498

("Arkansas License"). The Arkansas State Insurance Department suspended Prude's Arkansas License based on the finding that Prude's producer license in his home state was no longer active. *Arkansas Insurance Department v. Gregory Prude*, Arkansas State Insurance Department, A.I.D. No. 2012-120.

- b. On April 6, 2012, the Office of Commissioner of Insurance in Georgia entered into a License Reinstatement Consent Order with Prude. Prude failed to file for continuation of his Georgia Insurance Agent License prior to its expiration date of December 31, 2011. Prude paid an administrative fine of \$150.00 and the Georgia Commissioner of Insurance reinstated Prude's license. *In the Matter of: Gregory Prude*, Office of Commissioner of Insurance, State of Georgia, Case No. 11009011.
7. On December 24, 2012, Special Investigator Dennis Fitzpatrick ("Fitzpatrick") of the Consumer Affairs Division sent a letter by first-class mail to Prude's address of record requesting that Prude provide a written statement explaining the circumstances regarding each of the two above-referenced regulatory actions. The letter requested a response by January 14, 2013. The letter was not returned as undeliverable. Prude did not respond with the requested information and did not contact the Department in any way to demonstrate a reasonable justification for a delayed response.
8. On January 18, 2013, Fitzpatrick sent a letter labeled "Second Request" by first-class mail to Prude's address of record requesting that Prude provide a written statement explaining the circumstances regarding each of the two above-referenced regulatory actions. The letter requested a response by February 8, 2013. The letter was not returned as undeliverable. Prude did not respond with the requested information and did not contact the Department in any way to demonstrate a reasonable justification for a delayed response.
9. On July 9, 2013, Fitzpatrick sent a letter labeled "Final Request" by first-class mail to Prude's address of record requesting that Prude provide a written statement explaining the circumstances regarding each of the two above-referenced regulatory actions. The letter requested a response by July 30, 2013. The letter was not returned as undeliverable. Prude did not respond with the requested information and did not contact the Department in any way to demonstrate a reasonable justification for a delayed response.

CONCLUSIONS OF LAW

10. Section 375.141.1, RSMo (Supp. 2012),¹ provides, in part:

The director may suspend, revoke, refuse to issue or refuse to renew an insurance producer license for any one or more of the following causes:

(1) Intentionally providing materially incorrect, misleading, incomplete or untrue information in the license application;

(2) Violating any insurance laws, or violating any regulation, subpoena or order of

¹ All statutory references are to the Revised Statutes of Missouri (Supp. 2012) unless otherwise noted.

the director or of another insurance commissioner in any other state;

(3) Obtaining or attempting to obtain a license through material misrepresentation or fraud;

* * *

(9) Having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory[.]

11. Title 20 CSR 100-4.100 Required Response to Inquiries by the Consumer Affairs Division, provides, in part:

* * *

(2)(A) Upon receipt of any inquiry from the division, every person shall mail to the division an adequate response to the inquiry within twenty (20) days from the date the division mails the inquiry. An envelope's postmark shall determine the date of mailing. When the requested response is not produced by the person within twenty (20) days, this nonproduction shall be deemed a violation of this rule, unless the person can demonstrate that there is reasonable justification for that delay.

12. "There is a presumption that a letter duly mailed has been received by the addressee." *Clear v. Missouri Coordinating Bd. for Higher Educ.*, 23 S.W.3d 896, 900 (Mo. App. 2000) (internal citations omitted).

13. The principal purpose of § 375.141 is not to punish licensees or applicants, but to protect the public. *Ballew v. Ainsworth*, 670 S.W.2d 94, 100 (Mo. App. E.D. 1984).

14. Prude may be refused an insurance producer license pursuant to § 375.141.1(1) because he intentionally provided materially incorrect, misleading, incomplete or untrue information in the license application by failing to disclose his involvement in two administrative proceedings on his Application. *Arkansas Insurance Department v. Gregory Prude*, Arkansas State Insurance Department, A.I.D. No. 2012-120; *In the Matter of: Gregory Prude*, Office of Commissioner of Insurance, State of Georgia, Case No. 11009011.

15. Prude may be refused an insurance producer license pursuant to § 375.141.1(2) because he violated a Missouri insurance regulation, namely 20 CSR 100-4.100(2)(A), by failing to respond to three inquiries from the Consumer Affairs Division, including letters dated December 24, 2012, January 18, 2013, and July 9, 2013. Each failure to respond is a separate and sufficient ground to refuse Prude's insurance producer license.

16. Prude may be refused an insurance producer license pursuant to § 375.141.1(3) because he attempted to obtain a license through material misrepresentation or fraud by failing to disclose his involvement in two administrative proceedings on his Application. *Arkansas*

Insurance Department v. Gregory Prude, Arkansas State Insurance Department, A.I.D. No. 2012-120; *In the Matter of: Gregory Prude*, Office of Commissioner of Insurance, State of Georgia, Case No. 11009011.

17. Prude may be refused an insurance producer license pursuant to § 375.141.1(9) because he had an insurance producer license, or its equivalent, suspended in the state of Arkansas. *Arkansas Insurance Department v. Gregory Prude*, Arkansas State Insurance Department, A.I.D. No. 2012-120.
18. The Director has considered Prude's history and all of the facts and circumstances surrounding the Application, and for the reasons stated in this Order exercises his discretion in refusing to issue Prude an insurance producer license.
19. This Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that the insurance producer license of **Gregory Prude** is hereby **REFUSED**.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 12th DAY
OF DECEMBER, 2013.




JOHN M. HUFF
DIRECTOR

NOTICE

TO: Applicant and any unnamed persons aggrieved by this Order:

You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission, P.O. Box 1557, Jefferson City, Missouri within 30 days after the mailing of this notice pursuant to § 621.120 RSMo. Under 1 CSR 15-3.290, unless you send your complaint by registered or certified mail, it will not be considered filed until the Administrative Hearing Commission receives it.

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of December, 2013, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by UPS with signature required at the following address:

Gregory Prude
1199 Huff Road NW
Unit 105
Atlanta, GA 30318-4108

Tracking No. 1Z0R15W84294056153



Kathryn Randolph, Paralegal
Missouri Department of Insurance, Financial
Institutions and Professional Registration
301 West High Street, Room 530
Jefferson City, Missouri 65101
Telephone: 573.751.2619
Facsimile: 573.526.5492
Kathryn.Randolph@insurance.mo.gov