

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

In the Matter of:)
) Case No. 10-0920610C
RICK A. PETERSON,)
)
Respondent.)

CONSENT ORDER

John M. Huff, Director of the Department of Insurance, Financial Institutions and Professional Registration takes up the above-referenced matter for consideration and disposition. The Consumer Affairs Division, through counsel, Kristen E. Paulsmeyer, and Respondent Rick A. Peterson have reached a settlement in this matter and Respondent has consented to the issuance of this Consent Order.

Findings of Fact

1. John M. Huff is the duly appointed Director of the Missouri Department of Insurance, Financial Institutions, and Professional Registration (“Department”) whose duties, pursuant to Chapters 374 and 375 RSMo, include supervision, regulation, and discipline of insurance producers.

2. The Consumer Affairs Division of the Department has the duty of conducting investigations into the unfair or unlawful acts of insurance producers and companies under the insurance laws of this state and has been authorized by the Director to initiate this action before the Director to enforce the insurance laws of this state.

3. The Department originally issued Respondent Rick A. Peterson ("Peterson") a non-resident insurance producer license (No. 0374884) on July 24, 2006. The license remained active until June 6, 2008, at which time Peterson cancelled the license.

4. On or about September 17, 2010, the Consumer Affairs Division referred Investigation File No. 07A000042/Tracking ID No. 109077E concerning Peterson to the Director seeking to discipline Respondent Peterson's insurance producer license.

5. The Consumer Affairs Division alleged the following regarding Respondent Peterson:

- a. On or about January 4, 2007, in the United States District Court for the Western District of Missouri, Western Division, *United States of America v. Rick A. Peterson, et al.*, Peterson was charged by Grand Jury Indictment with Count One, Class D Felony in violation of 18 U.S.C. §§ 371, 1343 and 2, and Counts Ten¹ and Twelve, both Class B Felonies in violation of 18 U.S.C. §§ 1343 and 2. In Count One, the Indictment alleged the defendants combined, confederated, and agreed with each other in order to obtain money from Fieldstone Mortgage Corporation and other mortgage lenders, and from Freedom Title Company in furtherance of and for the purpose of executing a scheme to defraud. In Count Twelve, the Indictment alleged the

¹ Peterson was found not guilty on Count Ten of the Indictment, and accordingly, Count Ten will not be further discussed herein.

defendants in furtherance of the conspiracy and scheme to defraud set forth in Count One, knowingly and willfully transmitted and caused to be transmitted by means of wire communication in interstate commerce a facsimile transmission from Freedom Title, Kansas City, Missouri to Fieldstone Mortgage in Overland Park, Kansas, of signed closing documents relating to the sale and purchase of 5034 Sunset Drive, Kansas City, Missouri, in an attempt to obtain funding of the loans on November 17, 2006.

- b. On or about November 7, 2007, after a jury trial, Respondent Peterson was found guilty of the crime of Conspiracy to Commit Wire Fraud as charged in Count One of the Indictment and found guilty of the crime of Wire Fraud as charged in Count Twelve of the Indictment. *U.S. v. Peterson*, Case No. 07-00007-07-CR-W-FJG.
- c. On or about September 11, 2008, the United States District judge entered Judgment in *U.S. v. Peterson*. Accordingly, the Court adjudicated Peterson guilty of Counts One and Twelve and sentenced Peterson to imprisonment for a term of 60 months on each count, with sentences to run concurrently. The judge also fined Peterson \$2,700 in criminal monetary penalties. *U.S. v. Peterson*, Case No. 07-00007-07-CR-W-FJG.
- d. Respondent Peterson failed to report to the Director of the Department the criminal prosecutions or provide the relevant legal documents.

6. In light of these facts, Respondent Peterson's non-resident insurance producer license is subject to discipline on the following grounds:

- a. Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business pursuant to § 375.141.1(4) RSMo (Supp. 2009).²
- b. Having been convicted of a felony or crime involving moral turpitude pursuant to § 375.141.1(6).
- c. Having admitted or been found to have committed any insurance unfair trade practice or fraud pursuant to § 375.141.1(7).
- d. Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere pursuant to § 375.141.1(8).
- e. Failing to report to the Director the felony criminal prosecution in the United States District Court for the Western District of Missouri within 30 days of the initial pretrial hearing, as required by § 375.141.7, which is grounds to discipline under § 375.141.1(2).

7. Section 375.141 provides, in relevant part:

1. 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:

* * *

(2) Violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state;

* * *

² All statutory references are to RSMo (Supp. 2009) unless otherwise indicated.

(4) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;

* * *

(6) Having been convicted of a felony or crime involving moral turpitude;

* * *

(7) Having admitted or been found to have committed any insurance unfair trade practice or fraud;

* * *

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

* * *

7. Within thirty days of the initial pretrial hearing date, a producer shall report to the director any criminal prosecution for a felony or a crime involving moral turpitude of the producer taken in any jurisdiction. The report shall include a copy of the indictment or information filed, the order resulting from the hearing and any other relevant legal documents.

8. On or about November 10, 2010, counsel for the Consumer Affairs Division sent to Respondent Peterson a settlement offer with a written description of the specific conduct for which discipline is sought and a citation to the law and rules allegedly violated, together with copies of documents which are the basis thereof. Counsel for the Consumer Affairs Division advised Respondent Peterson that he had sixty (60) days to review the materials provided and consider the proposed settlement offer.

9. Respondent Peterson acknowledges that he has been advised that he may, either at the time the settlement agreement is signed by the parties or within fifteen (15) days thereafter, submit the agreement to the Administrative Hearing Commission for

determination that the facts agreed to by the parties to the settlement constitute grounds for disciplining Respondent's license.

10. Respondent Peterson admits to the facts alleged by the Consumer Affairs Division and outlined in this Consent Order. Respondent agrees that these facts constitute grounds to discipline his insurance producer license.

11. Respondent Peterson further acknowledges that he understands he has the right to consult an attorney at his own expense.

12. Except as agreed to and provided in Paragraph 9, Respondent Peterson stipulates and agrees to waive any rights that he may have to a hearing before the Administrative Hearing Commission, the Director or Department, and any rights to seek judicial review or other challenge or contest the terms and conditions of this Order and forever releases and holds harmless the Department, the Director and his agents, and the Consumer Affairs Division from any and all liability and claims arising out of, pertaining to or relating to this matter.

13. Each signatory to this Consent Order certifies by signing that he or she is fully authorized, in his or her own capacity, or by the named party he or she represents, to accept the terms and provisions of this Consent Order in their entirety, and agrees, in his or her personal or representational capacity, to be bound by the terms of this Consent Order.

Conclusions of Law

14. The allegations raised by the Consumer Affairs Division are grounds to discipline Respondent Peterson's Missouri non-resident insurance producer license pursuant to §§ 375.141.1 (2), (4), (6), (7) and (8).

15. The Consumer Affairs Division is authorized to settle this matter and the Director is authorized to issue this Consent Order in the public interest pursuant to § 621.045 RSMo and § 536.060 RSMo (2000).

16. The terms set forth in this Consent Order are an appropriate disposition of this matter and entry of this Consent Order is in the public interest.

ORDER

IT IS ORDERED THAT Respondent Rick A. Peterson's non-resident insurance producer license (No. 0374884) is hereby revoked.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 22nd DAY OF NOVEMBER, 2010.




JOHN M. HUFF, Director
Missouri Department of Insurance,
Financial Institutions & Professional
Registration

CONSENT AND WAIVER OF HEARING

The undersigned persons understand and acknowledge that Respondent Rick A. Peterson has a right to a hearing, but that Respondent waived the hearing and consented to the issuance of this Consent Order.



Rick A. Peterson
Inmate Register # ~~1967-045~~ 19672-045
USP Leavenworth
US Penitentiary
P.O. Box 1000
Leavenworth, Kansas 66048

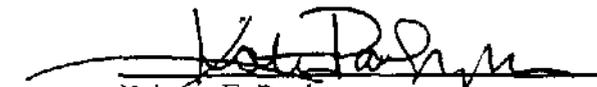
11/15/10
Date

Respondent

Counsel for Respondent
Name: _____
Missouri Bar No. _____
Address: _____

Phone: _____
Fax: _____

Date



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Missouri Bar No. 56458
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11/19/10
Date