

BEFORE THE ADMINISTRATIVE HEARING COMMISSION
STATE OF MISSOURI

FILED
APR 14 2005
ADMINISTRATIVE HEARING
COMMISSION

W. DALE FINKE, Director of)
Insurance, State of Missouri,)
)
Petitioner,)
)
v.)
)
DEMETRIUS GLASS &)
VERSATILE MANAGEMENT)
GROUP,)
)
Respondents.)

Case No. 04-1128 DI

PETITIONER'S BRIEF

FACTS

On February 10, 2003, Respondent Glass received \$898.00 from Sonya J. James in the course of doing insurance business. Such funds belonged to Sonya J. James. Respondent Glass improperly withheld and misappropriated such funds for his own use and diverted such funds for a use other than that intended. Such funds were for an insurance premium payment associated with a personal insurance policy of James and Respondent Glass knowingly failed to remit the premium payment to the insurer within thirty days of receiving the payment. As a result of Respondent Glass' conduct, James was without insurance coverage for a period of time. (Petitioner's Exhibit 3)

Respondent Glass also sold James a homeowner's insurance policy and an automobile insurance policy although he was not licensed to sell homeowner's or automobile insurance. (Petitioner's Exhibits 1 and 3)

On June 13, 2003, Respondent Glass received \$163.87 from Veronica Osborne in the course of doing insurance business. Such funds belonged to Veronica Osborne. Respondent Glass improperly withheld and misappropriated such funds for his own use and diverted such funds for a use other than that intended. Such funds were for an insurance premium payment associated with a personal insurance policy of Osborne and Respondent Glass knowingly failed to remit the premium payment to the insurer within thirty days of receiving the payment. As a result of Respondent Glass' conduct, Osborne was without insurance coverage for a period of time. (Petitioner's Exhibit 4)

Respondent Glass also sold Osborne a homeowner's insurance policy and an automobile insurance policy although he was not licensed to sell homeowner's or automobile insurance. (Petitioner's Exhibits 1 and 4)

Respondent Glass was at all times mentioned herein the sole owner and sole officer of Respondent VMG, and was at all times mentioned herein acting on behalf of Respondent VMG. (Petitioner's Exhibits 2,3 and 4)

Respondent Glass' actions set forth above were not reported to the Director by Respondent VMG nor was corrective action taken by Respondent VMG. (Petitioner's Exhibits 3 and 4)

Prior to June 24, 2004, Respondent Glass filed an application with the Director to have "Property and Casualty" added as a line of insurance on his producer license and also filed an application with the Director to have his producer license renewed. On June 24, 2004, the Director refused to add "Property and Casualty" as a line of insurance to Respondent Glass' license and also refused to renew Respondent Glass' license. (Petitioner's Exhibit 8)

ARGUMENT

The substantial and competent evidence in the record establishes that Respondents have improperly withheld, misappropriated and converted money received in the course of doing insurance business, a ground for discipline under section 375.141.1(4), RSMo Supp. 2004.

The substantial and competent evidence in the record establishes that Respondents have violated an insurance regulation (20 CSR 700-1.140(2)(D)), a ground for discipline under section 375.141.1(2), RSMo Supp. 2004.

The substantial and competent evidence in the record establishes that Respondents have used dishonest practices and demonstrated incompetence, untrustworthiness and financial irresponsibility in the conduct of business in this state, a ground for discipline under section 375.141.1(8), RSMo Supp. 2004.

CONCLUSION

The Director requests that this Commission:

- (1) Affirm the Director's refusal to add "Property and Casualty" as a line of insurance to Respondent Glass' license.
- (2) Affirm the Director's refusal to renew Respondent Glass' license.
- (3) Find cause to discipline Respondent Glass' license.
- (4) Find cause to discipline Respondent VMG's license.

Respectfully submitted,

W. Dale Finke, Director of Insurance
State of Missouri

Stephen R. Gleason
Stephen R. Gleason, Senior Counsel #30593
Missouri Department of Insurance
P.O. Box 690
Jefferson City, MO 65102
Tel: 573-751-2619
Fax: 573-526-5492
Attorney for Petitioner, Director of Insurance