BEFORE THE ADMINISTRATIVE HEARING COMMISSION
STATE OF MISSOURI

FILED
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ADMINISTRATIVE HEARING COMMISSION

MICHAEL F. RAY	)	
	)	
Petitioner,	)	
	)	
v.	)	**Case No. 06–0978 DI**
	)	060330172C
W. DALE FINKE, Director	)	
Missouri Department of Insurance,	)	
Financial Institutions and	)	
Professional Registration	)	
	)	
Respondent.	)	

STIPULATION OF FACTS AND CONSENT TO FINDING CAUSE FOR DISCIPLINE AND WAIVER OF HEARING

Pursuant to the terms of § 536.060, RSMo (2000), as it is made applicable to the Administrative Hearing Commission by § 621.135, RSMo (2000), and 1 CSR 15-3.440, the parties to this agreement stipulate to the following facts, waive their right to a hearing and consent to a finding of cause to discipline the license of Petitioner Michael F. Ray in the above-styled case by the Administrative Hearing Commission (hereinafter "AHC") of the State of Missouri.

Petitioner Michael F. Ray (hereinafter "Petitioner") acknowledges that he has been served and reviewed a copy of the Complaint and Answer filed with the AHC by the Department of Insurance, Financial Institutions and Professional Registration (hereinafter, "Department") and submits to the jurisdiction of the AHC.

Petitioner acknowledges that he understands the various rights and privileges afforded by law, including the right to a hearing of the charges against Petitioner; the right to appear and be

represented by legal counsel at Petitioner's expense; the right to have all allegations against Petitioner proven upon the record by competent and substantial evidence; the right to cross-examine any witness appearing at the hearing; the right to present evidence on Petitioner's behalf; the right to a decision based upon the record by a fair and impartial administrative hearing Commissioner concerning the Department's Complaint and Answer pending against Petitioner; and the right to a ruling on questions of law by an administrative hearing Commissioner.

Having been advised of these rights provided to Petitioner by operation of law, Petitioner knowingly and voluntarily waives each of those rights and freely enters into this Stipulation of Facts and Consent to Finding Cause for Discipline and Waiver of Hearing (hereinafter, "Agreement"). Respondent Douglas M. Ommen (successor to W. Dale Finke and hereinafter, "Respondent") and Petitioner also agree to be bound and abide by the terms of this Agreement.

The parties agree that this document is an open record of the Director, as required by RSMo Chapters 374, 610 and 621. The parties stipulate that this Agreement is in their best interests and is in the best interests of the people of this state. The parties stipulate and agree that neither party is a prevailing party in this action and that neither party is entitled to an award of fees and expenses under the provisions of § 536.087, RSMo (2000), or any other statute or rule. The parties agree that this Agreement does not bind or restrict the Director as to any future violations of the insurance laws or statutes by Petitioner. The parties agree this Commission has jurisdiction of the license held by Petitioner and over this matter.

Based upon the foregoing, the Petitioner, Michael F. Ray, and Respondent, Director Douglas M. Ommen, jointly stipulate that Petitioner committed the following conduct and request that the AHC adopt the following Stipulation of Facts and Consent to Finding Cause for Discipline as its

own findings of fact and conclusions of law:

1. Respondent Douglas M. Ommen is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration whose duties, pursuant to RSMo Chapters 374 and 375, include the supervision and regulation of insurance producers;

2. Petitioner is a licensed insurance producer (license # PR112575) in good standing in the state of Missouri;

3. The Department's Complaint in this matter was filed on April 26, 2006, the Department's Answer was filed on July 28, 2006, and both documents were served on Petitioner;

4. More than thirty days passed since the filing of the Department's Complaint before Petitioner offered a settlement proposal and Petitioner has had more than thirty days to respond to the Department's Complaint;

5. Petitioner understands that he has the right to consult legal counsel, at Petitioner's expense;

6. The following allegations contained in Count I of the Department's Complaint are true and accurate:

a. On or about October 4, 2004, Petitioner signed the name Joan Jewell to an insurance document, namely, an Employer's Disability Statement;

b. The aforementioned Employer's Disbaility Statement was used in an insurance transaction for Ozark R–VI School District and Amanda Clark;

c. On December 13, 2005, Petitioner admitted to signing the name Joan Jewell to the aforementioned Employer's Disability Statement;

d. Petitioner signed Joan Jewell's name without authorization; and

e. Petitioner has thereby signed the name of another to an application or to a document related to an insurance transaction without authorization and Petitioner admits that the foregoing conduct is cause for disciplining Petitioner's license under § 375.141.1(10), RSMo, (Cumulative Supp. 2005).

7. The following allegations contained in Count II of the Department's Complaint are true and accurate:

a. Between September 1, 2003 and December 31, 2004, Petitioner knowingly made entries in reports or statements of an insurer, namely, American Family Life Assurance Company (hereinafter, "AFLAC"), or knowingly omitted to make true entries of material facts in reports or statements of such insurer;

b. Specifically, Petitioner assembled various medical records and health information in multiple insurance claims that constituted reports or statements of AFLAC;

c. Such entries pertained to the business of such insurer;

d. Such entries were material and false;

e. On December 13, 2005, Petitioner admitted to falsifying such records or statements and submitting them to AFLAC with the intent of generating insurance payments; and

f. Petitioner committed the foregoing in conscious disregard of §§ 375.930 to 375.948, RSMo (2000), or of any rules promulgated under §§ 375.930 to 375.948, RSMo (2000), or with such frequency to indicate a general business practice to engage in that type of conduct and Petitioner admits that the foregoing conduct is cause for disciplining Petitioner's license under § 375.141.1(7), RSMo (Cumulative Supp. 2005).

8. The following allegations contained in Count III of the Department's Complaint are

true and accurate:

a. The parties reallege and expressly incorporate by reference the allegations contained in paragraph 7; and

b. Petitioner has admitted committing multiple acts of fraud and Petitioner admits that the foregoing conduct is cause for disciplining Petitioner's license under § 375.141.1(7), RSMo (Cumulative Supp. 2005).

9. The following allegations contained in Count IV of the Department's Complaint are true and accurate:

a. The parties reallege and expressly incorporate by reference the allegations contained in paragraph 7;

b. Petitioner thereby violated § 375.934, RSMo, and § 375.991, RSMo; and

c. Petitioner has violated an insurance law or violated a regulation, subpoena or order of the director or of another insurance commissioner in another state and Petitioner admits that the foregoing conduct is cause for disciplining Petitioner's license under § 375.141.1(2), RSMo (Cumulative Supp. 2005).

10. The following allegations contained in Count V of the Department's Complaint are true and accurate:

a. The parties reallege and expressly incorporate by reference the allegations contained in paragraphs 6 and 7;

b. Petitioner intended that AFLAC rely upon such representations in the conduct of business;

c. The representations were false;

d. Petitioner, by his own admission, knew that the representations were false;

e. Petitioner, by his own admission, did so with the purpose to deceive or defraud; and

f. Petitioner has used fraudulent, coercive or dishonest practices in the conduct of business in this state or elsewhere and Petitioner admits that the foregoing conduct is cause for disciplining Petitioner's license under § 375.141.1(8), RSMo (Cumulative Supp. 2005).

11. The following allegations contained in Count VI of the Department's Complaint are true and accurate:

a. The parties reallege and expressly incorporate by reference the allegations contained in paragraphs 6 and 7; and

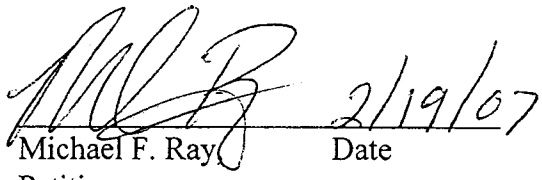
b. Petitioner demonstrated incompetence, untrustworthiness or financial irresponsibility in this state or elsewhere and Petitioner admits the foregoing conduct is cause for disciplining Petitioner's license under § 375.141.1(8), RSMo (Cumulative Supp. 2005).

12. Further, Petitioner consents and agrees to surrender his producer license, effective immediately; and

13. Further, Petitioner waives his right to a disciplinary hearing before the Department pursuant to § 621.110, RSMo (2000), once a finding of cause to discipline has been issued by this Commission, and consents to revocation of his producer license.

WHEREFORE, the parties to this matter voluntarily and knowingly stipulate and consent to the above-cited facts and to a finding of cause to discipline the insurance license of Petitioner Michael F. Ray based on the allegations contained in Counts I, II, III, IV, V, and VI of the Department's Complaint. The parties further request that this Commission issue its Findings and

Conclusions, and Memorandum or Consent Order consistent with this Stipulation.



Michael F. Ray Date
Petitioner

J. Patrick Sullivan Date
Attorney ~~for Pet~~itioner

Kevin Hall Date
Legal Counsel
Missouri Department of Insurance
Financial Institutions and
Professional Registration
Attorney for Respondent