State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS &
PROFESSIONAL REGISTRATION

IN THE MATTER OF:	)	
	)	
MICHAEL G. GRIMES,	)	**MDI Case No. 060522212**
	)	**AHC Case No. 06-1352DI**
Respondent.	)	
	)	

MODIFIED FINAL ORDER OF DISCIPLINE

NOW on this 22nd day of April, 2008, Douglas M. Ommen, Director of the Department of Insurance, Financial Institutions and Professional Registration, after a disciplinary hearing, in consideration of the full record in this matter and being fully advised in the premises, hereby makes the following findings of fact, conclusions of law and order:

Findings of Fact

1. Douglas M. Ommen is the Director of the Department of Insurance, Financial Institutions, and Professional Registration (hereinafter, "Director") whose duties, pursuant to RSMo Chapter 375, include the supervision, regulation, and discipline of insurance producers.

2. Michael G. Grimes (hereafter, "Grimes") was issued an insurance agent license on May 30, 1978 and is currently licensed as an insurance producer by the Director, number RR135825, which is active and in good standing.

3. The Director authorized the filing of a First Amended Complaint with the Administrative Hearing Commission on January 3, 2007, seeking a finding that sufficient cause

existed for disciplining Grimes' insurance producer license, based on information and allegations that Grimes was subject to discipline under §375.141.1(2), (7) and (8), RSMo.

4. On February 20, 2007, a hearing was held on the Director's First Amended Complaint before the Administrative Hearing Commission. Grimes appeared with counsel, Steven W. Koslovsky. The Director was represented by counsel, Tamara A. Wallace.

5. On September 28, 2007, the Administrative Hearing Commission issued its decision, finding cause to discipline the producer license of Grimes pursuant to § 375.141.1(2), (7), and (8) RSMo. ***Director vs. Michael G. Grimes***, Case No. 06-1352 DI. (hereafter "AHC Decision").

6. On October 29, 2007, the Administrative Hearing Commission certified the record of its proceeding to the Director pursuant to § 621.110, RSMo.

7. The Director mailed to Grimes a notice of disciplinary hearing to be held at 10:00 a.m. on November 28, 2007, in the offices of the Director of Insurance, Financial Institutions and Professional Registration, 301 West High Street, Room 530, Jefferson City, Missouri.

8. Grimes did not personally appear for hearing, but attorney Koslovsky appeared by telephone. At the hearing, Ms. Wallace, as counsel for the Consumer Affairs Division, presented the AHC Decision and the record of the proceeding. Mr. Koslovksy did not present any witnesses. After the evidence was received, Ms. Wallace recommended to the Director that Grimes' license be suspended for three months and that civil penalties and costs of the preceeding be assessed against Grimes.

9. On December 10, 2007 the Director adopted and incorporated the AHC Decision referenced herein, found in accordance with the same and issued a Final Order of Discipline.

10. The record does not reflect Grimes was served with a copy of the Final Order of Discipline.

11. In order to effectuate service and provide full opportunity for seeking judicial review, the Director does hereby adopt and incorporate the AHC Decision referenced herein, and finds in accordance with the same and hereby modifies the order of discipline and issues this Modified Final Order of Discipline.

Conclusions of Law

12. The Director has found that he has grounds to discipline the insurance producer license of Grimes pursuant to §375.141.1(2), (7), and (8) RSMo. Section 375.141.1 provides that the Director "may" suspend or revoke the license on these grounds. "May" means an option, not a mandate. ***S.J.V. ex rel. Blank v. Voshage***, 860 S.W.2d 802, 804 (Mo.App., E.D.1993). This discretion is vested with the Director. §§374.051.2, 375.141 and 621.110, RSMo.

Discretion

13. Based on a review of the AHC Decision and the full record of the proceedings in this matter, the Director concludes that Grimes should be disciplined by suspension of his insurance producer license for a period of eighty-two days.

14. The Director concludes that although prior to the present action, Grimes has not been involved in any administrative actions under the insurance laws of this state, his efforts to parse securities regulatory issues from insurance regulatory actions indicates a troubling refusal to acknowledge the complementary nature of insurance and securities regulation and a failure to accept responsibility for his actions.

15. Due to nature and severity of the aforementioned conduct sufficient grounds exist for suspending Grimes' insurance producer license pursuant to § 375.141.1(2), (7), and (8) RSMo.

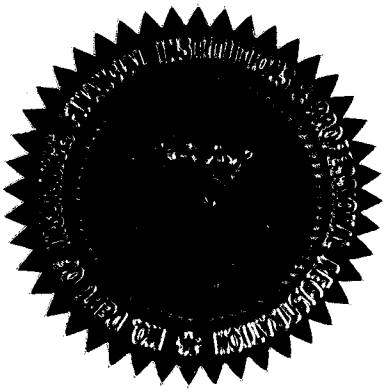
ORDER OF SUSPENSION

NOW, THEREFORE, IT IS ORDERED that the suspension ordered in the Final Order of Discipline issued on December 10, 2007 is vacated.

IT IS FURTHER ORDERED that based on the record as a whole and the evidence presented, the insurance producer license of Michael G. Grimes is hereby SUSPENDED for a period of eighty-two days, but that Michael G. Grimes shall receive credit for seven days of the suspension ordered in the Final Order of Discipline issued on December 10, 2007.

IT IS FURTHER ORDERED that the license SUSPENSION shall become effective at 5:00 p.m. on June 15, 2008 and shall continue through 5:00 p.m. on August 29, 2008, during which time Michael G. Grimes is neither authorized to sell, negotiate or solicit insurance, nor to engage in any manner in the business of insurance.

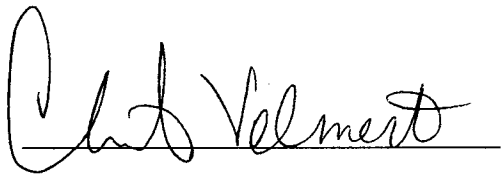
SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 22nd DAY OF APRIL, 2008.



DOUGLAS M. OMMEN
Director

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a certified copy of the foregoing document was sent by certified U.S. Mail first class mail this 22nd day of April, 2008, to:

Steven W. Koslovsky, Esq.
2458 Old Dorsett Road, Suite 230
St. Louis, MO 63043

Michael G. Grimes
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