State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS & PROFESSIONAL REGISTRATION

IN RE:	)	
	)	**DIFP Case No. 070518314C**
KEVIN W. LOUDERBACK, et al.	)	

Serve: Kevin W. Louderback
Premier Financial Services
CAAP and CAAP & Associates
3831 W. Creekside Ct.
Springfield, MO 65802

Justin Barnes
4334 South Timbercreek Ave.
Apt. 99
Battlefield, MO 65619

FINAL ORDER

NOW, THEREFORE, Director Douglas M. Ommen ("Director") of the Department of Insurance, Financial Institutions and Professional Registration ("Department"), in consideration of the full record in this matter and being fully advised in the premises, hereby enters the Final Order in this matter:

FINDINGS OF FACT

1. On April 24, 2008, the Director issued Findings of Fact, Conclusions of Law and Order ("Order") finding numerous violations of § 375.144 and 375.934 RSMo by Respondents Kevin Louderback, Justin Barnes, Citizens for Aids Assistance and Prevention, CAAP & Associates (also known as CAAP), and Premier Financial Services.

2. In the Findings of Fact, Conclusions of Law and Order, the Consumer Affairs Division ("Division") was ordered to submit written suggestions and any necessary affidavits

concerning penalties, forfeitures or costs no later than May 1, 2008. Upon Motion for Continuance, and for good cause shown, an extension was granted to the Division up to and including May 9, 2008. The Division filed its "Request for Penalties or Forfeitures and Costs and Memorandum in Support" ("Request for Penalties") on May 9, 2008.

3. Also in the Findings of Fact, Conclusions of Law and Order, Respondents Kevin W. Louderback, Justin R. Barnes, Premier Financial Services, Citizens for Aids Assistance and Prevention and CAAP & Associates (also known as CAAP) were ordered to file any responsive pleadings and affidavits concerning penalties, forfeitures or costs no later than May 19, 2008.

4. No Respondents filed a responsive pleading or affidavits in response to the Division's Request for Penalties.

CONCLUSIONS OF LAW

5. Section 374.046.1, RSMo, provides, in part:

> If the director determines based upon substantial and competent evidence that a person has engaged, is engaging in or has taken a substantial step toward engaging in an act, practice, omission, or course of business constituting a violation of the laws of this state relating to insurance in this chapter, chapter 354, RSMo, and chapters 375 to 385, RSMo, or a rule adopted or order issued pursuant thereto or that a person has materially aided or is materially aiding an act, practice, omission, or course of business constituting a violation of the laws of this state relating to insurance in this chapter, chapter 354, RSMo, and chapters 375 to 385, RSMo, or a rule adopted or order issued pursuant thereto, the director may order the following relief:
>
> (1) An order directing the person to cease and desist from engaging in the act, practice, omission, or course of business;
>
> (2) A curative order or order directing the person to take other action necessary or appropriate to comply with the insurance laws of this state;
>
> (3) Order a civil penalty or forfeiture as provided in section 374.049; and
>
> (4) Award reasonable costs of the investigation.

6. The penalties and forfeitures authorized by § 374.049 RSMo (Supp. 2007) "govern all actions and proceedings that are instituted on the basis of conduct occurring after August 28, 2006." § 374.049.12 RSMo (Supp. 2007).[1] Therefore, in accordance with the statute, penalties and forfeitures are not sought by the Division based upon conduct occurring before August 28, 2006.

A. Penalties for Violations of § 375.144

7. Section 375.145 was enacted in 2007 (effective August 28, 2007), and provides that a violation of § 375.144 is a level four violation under 374.049. § 375.145.1 RSMo (Supp. 2007).

8. Under § 374.049.2 RSMo (Supp. 2007), the penalties or forfeitures may be ordered as follows:

> 2. An order to impose a civil penalty or forfeiture, when imposed by the director in an administrative proceeding under section 374.046 on a person for any violation of the laws of this state relating to insurance in this chapter, chapter 354 and chapters 375 to 385, RSMo, or a rule adopted or order issued by the director, shall be an order to pay an amount not exceeding the following:
> (1) No civil penalty or forfeiture for a level one violation;
> (2) One thousand dollars per each level two violation, up to an aggregate civil penalty or forfeiture of fifty thousand dollars per annum for multiple violations;
> (3) Five thousand dollars per each level three violation, up to an aggregate civil penalty or forfeiture of one hundred thousand dollars per annum for multiple violations;
> (4) Ten thousand dollars per each level four violation, up to an aggregate civil penalty or forfeiture of two hundred fifty thousand dollars per annum for multiple violations;
> (5) Fifty thousand dollars per each level five violation, up to an aggregate civil penalty or forfeiture of two hundred fifty thousand dollars per annum for multiple violations.

[1] Section 374.049 RSMo (Supp. 2007) went into effect on August 28, 2006.

9. Prior to August 28, 2007, a violation of § 375.144 was unclassified. Therefore, under § 374.049 RSMo (Supp. 2007), a violation of § 375.144 between August 28, 2006 to August 25, 2007, would be a level one violation under § 374.049.

B. Penalties for Violations of § 375.934

10. Section 375.942.1 was amended in 2007 (effective August 28, 2007) and states, in relevant part:

> Each practice in violation of section 375.934 is a level two violation under section 374.049, RSMo. Each act as part of a trade practice does not constitute a separate violation under section 374.049, RSMo.

§ 375.942.1 RSMo (Supp. 2007).

11. Prior to August 28, 2007, for a violation of § 375.936, the director could order in his discretion:

> (1) Payment of a monetary penalty of not more than one thousand dollars for each violation but not to exceed an aggregate penalty of one hundred thousand dollars in any twelve-month period unless the violation was committed flagrantly and in conscious disregard of section 375.934 or 375.937, in which case the penalty shall not be more than twenty-five thousand dollars for each violation but not to exceed an aggregate penalty of two hundred fifty thousand dollars in any twelve-month period.

§ 375.942.1(1) RSMo 2000.

C. No Penalties Are Sought Under § 374.280 RSMo

12. The Consumer Affairs Division specifically does not request a monetary penalty of one hundred dollars ($100) pursuant to § 374.280 RSMo 2000, for each and every violation of the provisions of chapters 374, 375, 376, 377, 378 and 379 knowingly committed by Respondents. Section 374.280.1 RSMo 2000 previously provided, in part:

> The director may, after hearing, order a forfeiture to the state of Missouri a sum not to exceed one hundred dollars for each violation by any person, partnership or corporation knowingly violating any provision of chapters 374, 375, 376, 377, 378, and 379 RSMo.

§ 374.280.1 RSMo 2000.

13. New § 374.280.1 RSMo (2007) allows the director to "order a civil penalty or forfeiture . . . authorized by section 374.049." However, the new statute removes the provision allowing for the assessment of $100 per violation. Under § 1.160(2) RSMo, "[i]f the penalty or punishment for any offense is reduced or lessened by an alteration of the law creating the offense prior to original sentencing, the penalty or punishment shall be assessed according to the amendatory law." Because the new § 375.280 lessens the penalty which may be assessed, it may not be applied retrospectively. Therefore, the Division abandons any claim for the $100 penalty under the previous § 374.280. *See State ex rel. Webster v. Myers*, 779 S.W.2d 286, 289 (Mo. App. W.D. 1989); *see also Hess v. Chase Manhattan Bank,* 220 S.W.3d 758, 269-71 (Mo. 2007).

A. Penalties for Violations of § 375.144 for Count I

1. Penalties or Forfeitures for Violations of § 375.144(1)

14. Respondents violated § 375.144(1) by employing deception, device, scheme or artifice to defraud in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly, in five ways, listed as a. through e. Order, ¶ 98.

a. Respondents submitted on their insurance application with United Healthcare that CAAP & Associates would pay 50% of the premium, when in fact Respondents charged the HIPP program for the employer contribution to the premium.

15. Respondents completed the Joint Health and Life Employer Application with United Healthcare Insurance Company ("United Healthcare") for a small employee group plan for CAAP & Associates on July 22, 2005. That policy became effective August 1, 2005. Order, ¶s 25 & 26. Because the conduct took place before the enactment of § 374.049, the Division is not seeking penalties or forfeitures on the basis of conduct occurring before August 28, 2006. § 374.049.12.

b. Respondents altered the United Healthcare premium rates and submitted such altered rates in order to receive more money from the HIPP program than they were entitled.

16. Respondents Louderback and CAAP & Associates submitted two sets of rates sheets to the Department of Social Services on October 30, 2006, purporting to be rates from United Healthcare. Order, ¶s 45 & 49. The Director also found that the rates submitted were altered from those provided by United Healthcare. *Exhibits 17, 18, & 19.*

17. Penalties or forfeitures in the amount of $20,000 are imposed against Respondents for two level four violations of § 375.144(1).

c. The amount of premiums charged by Respondents to HIPP improperly included the entire premium and an unallowable broker's fee.

18. Respondents charged the Health Insurance Premium Payment Program ("HIPP") the entire premium (not just the employees' share) and a broker's fee. Order, ¶s 47-54, 56. The HIPP program only pays a Medicaid participant's premiums and their out of pocket expenses, not the employer's share or a broker's fee. Order, ¶ 55 & 56.

19. By May, 2007, there were over 800 insureds on the CAAP & Associates policy, the majority of whom were Medicaid-eligible and had applied for HIPP. Order, ¶ 40. According to Louderback, there were not more than 560 employees of CAAP & Associates at its largest. Order, ¶ 39. Respondents charged a higher premium to HIPP than the premium charged by United Healthcare for ninety percent of the HIPP participants. Order, ¶ 48.

20. Penalties or forfeitures are imposed against Respondents in the amount of $250,000, which is the maximum aggregate civil penalty or forfeiture per annum for multiple level four violations of this § 375.144(1).

d. Respondents presented as genuine a letter, when, in fact, it was not genuine, to make it appear that HIPP would continue to work with Louderback and CAAP & Associates and that they had an excellent working relationship. Respondents

forged such letter in hopes to assuage the concerns of another insurer Respondents were soliciting for business after United Healthcare terminated their contract.

21. Respondents were having difficulty obtaining a policy from Coventry Insurance because of the United Healthcare allegations against Respondents. Respondents forged a letter purporting to be from Judy Muck, with Division of Medical Services, and provided such letter to Coventry to assuage its concerns. Order, ¶s 73-81.

22. Penalties or forfeitures are imposed against Respondents in the amount of $10,000 for one level four violation of § 375.144(1).

e. Respondents asked employees to sign incomplete HIPP applications and other incomplete insurance applications.

23. Respondents would send CAAP & Associates' employees application forms that were partially completed, with highlighting to indicate where the employee was to fill in information. Respondents left some fields blank but did not highlight those fields for the employee to complete. Order, ¶s 51 – 53; Exhibits 22 & 23.

24. Penalties or forfeitures are imposed against Respondents in the amount of $20,000 for two level four violations of § 375.144(1).

2. Penalties or Forfeitures for Violations of § 375.144(2)

25. Respondents violated § 375.144(2) by making or using misrepresentation, concealment or suppression of material facts in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly, in five ways, listed as a. through e. Order, ¶ 99.

a. Respondents intentionally misrepresented on their insurance application with United Healthcare that the employer would pay 50% of the premium, when in fact Respondents charged the employer contribution to the premium submitted to the HIPP program.

26. Because the conduct violative of § 375.144(2) took place before the enactment of § 374.049, the Division is not seeking penalties or forfeitures on the basis of conduct occurring before August 28, 2006. § 374.049.12.

b. Respondents intentionally misrepresented the number of work hours of eligible employees on the United Healthcare application by agreeing to the 30 hours per week but had no intention of requiring such hours from their employees as evidenced by the fact they claim United Healthcare cannot require their employees to work a certain number of hours.

27. Because the conduct violative of § 375.144(2) took place before the enactment of § 374.049, the Division is not seeking penalties or forfeitures on the basis of conduct occurring before August 28, 2006. § 374.049.12.

c. Respondents intentionally misrepresented to the HIPP program the premium rates charged by United Healthcare by submitted altered United Healthcare rates to HIPP.

28. Respondents Louderback and CAAP & Associates submitted two sets of rates sheets to the Department of Social Services on October 30, 2006, purporting to be rates from United Healthcare. Order, ¶s 45 & 49. The rates submitted were altered from those provided by United Healthcare. *Exhibits 17, 18, & 19.*

29. Penalties or forfeitures are imposed against Respondents in the amount of $20,000 for two level four violations of § 375.144(2).

d. Respondents intentionally misrepresented to the HIPP program that the amount of premiums Respondents charged HIPP was the employees' share of the premium, when in fact it improperly charged the entire premium and an unallowable broker's fee.

30. Respondents charged the Health Insurance Premium Payment Program ("HIPP") the entire premium (not just the employees' share) and a broker's fee. Order, ¶s 47-54, 56. The HIPP program only pays a Medicaid participant's premiums and their out of pocket expenses, not the employer's share or a broker's fee. Order, ¶ 55 & 56.

31. By May, 2007, there were over 800 insureds on the CAAP & Associates policy, the majority of whom were Medicaid-eligible and had applied for HIPP. Order, ¶ 40. According to Louderback, there were not more than 560 employees of CAAP & Associates at its largest. Order, ¶ 39. Respondents charged a higher premium to HIPP than the premium charged by United Healthcare for ninety percent of the HIPP participants. Order, ¶ 48.

32. Penalties or forfeitures are imposed against Respondents in the amount of $250,000, which is the maximum aggregate civil penalty or forfeiture per annum for multiple level four violations of § 375.144(3).

e. Respondents misrepresented to potential or current CAAP & Associates employees that a new insurance policy was in place, when in fact Respondents knew there was no active policy and that so long as the allegations of United Healthcare remained unresolved.

33. In a letter to CAAP employee from Barnes as CAAP & Associates' Benefits Administrator, Barnes declares: "We have set up a new policy with a different company that will take the place of the UHC policy." Order, ¶ 74 (citing Exhibits 22 & 23; Tr. 92-94). The statements by Barnes, Louderback and CAAP & Associates to their employees that a new policy existed were misrepresentations and false and fraudulent statements. Order, ¶ 76.

34. Penalties or forfeitures are imposed against Respondents in the amount of $20,000 for two level four violations of § 375.144(2).

3. Penalties or Forfeitures for Violations of § 375.144(3)

35. Respondents violated § 375.144(3) by engaging in a pattern or practice of making false statements of material facts in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly, in five ways. Order, ¶ 100.

36. For the reasons stated previously regarding violations of § 375.144(1) and (2), penalties or forfeitures are imposed against Respondents in the amount of $250,000, which is the maximum aggregate civil penalty or forfeiture per annum for multiple level four violations of § 375.144(3).

4. Penalties or Forfeitures for Violations of § 375.144(4)

37. Respondents violated § 375.144(4) by engaging in an act, practice, or course of business which operates as a fraud or deceit upon persons in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly, in three ways, listed as a. through c. Order, ¶ 101.

a. Respondents used deceit to obtain a small employer group health policy from United Healthcare, and then, used the HIPP program not only to pay the 50% employer premium contribution due to United Healthcare, but to improperly obtain broker's fees from the HIPP program. Respondents' entire scheme and course of business operated as a fraud upon United Healthcare, the HIPP program, and the CAAP & Associates' employees.

38. Respondents obtained the health insurance policy prior to August 28, 2006. Because the part of the conduct violative of § 375.144(4) took place before the enactment of § 374.049, the Consumer Affairs Division is not seeking penalties or forfeitures on the basis of conduct occurring before August 28, 2006." § 374.049.12.

b. Respondents sent letters to potential or current CAAP & Associates employees stating that a new insurance policy was in place, and telling them to complete new insurance and HIPP applications for that policy, when in fact Respondents knew there was no active policy. Respondents' letters operated as a fraud or deceit upon the employees and the HIPP program.

39. For the reasons stated previously, penalties or forfeitures are imposed against Respondents in the amount of $20,000 for two level four violations of § 375.144(4).

c. Respondents presented as genuine a letter, when, in fact, it was not genuine, to make it appear that HIPP would continue to work with Louderback and CAAP & Associates and that they had an excellent working relationship. Respondents

forged such letter in hopes to assuage the concerns of another insurer Respondents were soliciting for business after United Healthcare policy terminated.

40. For the reasons stated previously, penalties or forfeitures are imposed against Respondents in the amount of $10,000 for one level four violation of § 375.144(4).

B. Penalties for Violations of § 375.144 for Count II

41. Respondents violated § 375.144 by (1) by employing deception, device, scheme or artifice to defraud in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly; (2) by making or using misrepresentation, concealment or suppression of material facts in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly; (3) by engaging in a pattern or practice of making false statements of material facts in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly; and/or (4) by engaging in an act, practice, or course of business which operates as a fraud or deceit upon persons in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly, to wit:

a. Respondents' improper withholding, misappropriation or conversion of the HIPP payment.

b. Respondents intentionally failed to pay the balance owed to United Healthcare for the April and May 1 through 3, 2007 premiums.

Order, ¶ 103.

42. Penalties or forfeitures are imposed against Respondents in the amount of $20,000 for two level four violations of § 375.144(2).

C. Penalties for Violations of 375.934 for Count III

1. Unfair Trade Practice under § 375.936(7)

43. Respondents engaged in the unfair trade practice of "misrepresentation in insurance applications" under § 375.936(7) RSMo (2000) in violation of § 375.934, by making

false or fraudulent statements or representations on or relative to an application for a policy, for the purpose of obtaining a fee, commission, money, or other benefit from an insurer, agent, agency, broker or other person, in five ways. Order, ¶s 105 – 107.

a. Respondents misrepresented on their insurance application with United Healthcare that the CAAP & Associates would pay 50% of the premium, when in fact Respondents charged the employer contribution to the premium submitted to the HIPP program. Respondents submitted the misrepresentation in the application to obtain a policy from United Healthcare and enjoy commissions from such policy and enjoy money received from the HIPP program even though United Healthcare would have rejected the application if it had known of the misrepresentation.

44. Respondents completed and provided to United Healthcare their application for the health insurance policy prior to August 28, 2007. Therefore, under § 375.942.1(1) RSMo 2000, penalties or forfeitures are imposed against Respondents CAAP & Associates and Louderback in the amount of $1,000 for the unclassified violation of § 375.934.

b. Respondents misrepresented on their United Healthcare insurance application the number of work hours of eligible employees by agreeing to the 30 hours per week but had no intention of requiring such hours from their employees as evidenced by the fact they claim United Healthcare cannot require their employees to work a certain number of hours. Respondents submitted the misrepresentation in the application to obtain a policy from United Healthcare and enjoy commissions from such policy and enjoy money received from the HIPP program even though United Healthcare would have rejected the application if it had known of the misrepresentation.

45. Respondents completed and provided to United Healthcare their application for the health insurance policy prior to August 28, 2007. Therefore, under § 375.942.1(1) RSMo 2000, penalties or forfeitures are imposed against Respondents CAAP & Associates and Louderback in the amount of $1,000 for the unclassified violation of § 375.934.

c. Respondents misrepresented the premium amounts owed by employees on the HIPP application by including in the premiums the 50% employer contribution owed by CAAP & Associates to United Healthcare and by including unallowable broker's fees. Respondents made the misrepresentations to obtain money from the HIPP program to which they were not entitled under the law.

46. Respondents charged the Health Insurance Premium Payment Program ("HIPP") the entire premium (not just the employees' share) and a broker's fee. Order, ¶s 47-54, 56. The HIPP program only pays a Medicaid participant's premiums and their out of pocket expenses, not the employer's share or a broker's fee. Order, ¶ 55 & 56.

47. By May, 2007, there were over 800 insureds on the CAAP & Associates policy, the majority of whom were Medicaid-eligible and had applied for HIPP. Order, ¶ 40. According to Louderback, there were not more than 560 employees of CAAP & Associates at its largest. Order, ¶ 39. Respondents charged a higher premium to HIPP than the premium charged by United Healthcare for ninety percent of the HIPP participants. Order, ¶ 48.

48. Penalties or forfeitures are imposed against Respondents in the amount of $50,000, which is the aggregate civil penalty or forfeiture per annum for multiple level two violations under § 375.942.1 RSMo (Supp. 2007).[2]

d. Respondents asked employees to sign HIPP and other insurance applications before all information was provided on the forms and thereby misrepresented to the HIPP program that the applicants guaranteed their answers were correct, true and complete to the best of their knowledge.

49. For the reasons stated previously, penalties or forfeitures are imposed against Respondents in the amount of $2,000 for the two violations of § 375.934 as evidenced by Exhibits 22 and 23.

e. Respondents misrepresented to potential or current CAAP & Associates employees that a new insurance policy was in place, when in fact Respondents knew there was no active policy and that so long as the allegations of United Healthcare remained unresolved. Respondents used the misrepresentation to

[2] Although the conduct occurred before the enactment of § 375.942.1 (Supp. 2007), the aggregate under the new law must be used. The old law allowed an aggregate penalty of $100,000 under § 375.942.1. However, under § 1.160(2), "[i]f the penalty or punishment for any offense is reduced or lessened by an alteration of the law creating the offense prior to original sentencing, the penalty or punishment shall be assessed according to the amendatory law."

induce the employees to complete insurance and HIPP applications so that Respondents could continue to receive commissions from an insurer, and receive their broker's fee and employer contribution from the HIPP program.

50. In a letter to CAAP employee from Barnes as CAAP & Associates' Benefits Administrator, Barnes declares: "We have set up a new policy with a different company that will take the place of the UHC policy." Order, ¶ 74 (citing Exhibits 22 & 23; Tr. 92-94). The statements by Barnes, Louderback and CAAP & Associates to their employees that a new policy existed were misrepresentations and false and fraudulent statements. Order, ¶ 76.

51. Penalties or forfeitures are imposed against Respondents in the amount of $2,000 for the two violations of § 375.934.

2. Unfair Trade Practice Under § 375.936(9)

52. Respondents engaged in the unfair trade practice of "rebates" under § 375.936(9) RSMo (2000) in violation of § 375.934, by giving or offering to pay, allow or give, directly or indirectly, a special favor as an inducement to insurance where the inducement was not plainly expressed in the insurance contract. Order, ¶ 108. Respondents offered to prospective employees and gave to its employees boxes of food as an inducement to insurance, which constituted a rebate, where such inducement was not expressed in the insurance contract, where Respondents claimed the insurance company donated money back from the policy to pay for food, and where the food stopped when the insurance stopped. Order, ¶s 69 – 72.

53. Penalties or forfeitures are imposed against Respondents in the amount of $1,000 for the violation of § 375.934.

D. Total Penalties or Forfeitures

54. Pursuant to § 374.046.7, in a final order under the statute, the Director "may impose a civil penalty or forfeiture as provided in § 374.049." "Any civil penalty or forfeiture

recovered by the director shall be paid to the treasurer and then distributed to the public schools as required by Article IX, section 7 of the Missouri Constitution." § 374.049.11.

55. Pursuant to § 374.049.2(2), there is a civil penalty or forfeiture of "one thousand dollars per each level two violation, up to an aggregate civil penalty or forfeiture of fifty thousand dollars per annum for multiple violations." As there are at least 511 level two violations, the aggregate of $50,000.00 for level two violations is met by the first 50 violations.

56. Pursuant to § 374.049.2(4) there is a civil penalty or forfeiture of "ten thousand dollars per each level four violation, up to an aggregate civil penalty or forfeiture of two hundred and fifty thousand dollars per annum for multiple violations." As there are at least 1529 level four violations, the aggregate of $250,000.00 for level four violations is met by the first 25 violations.

E. Request for Costs

57. Pursuant to § 374.046.8 RSMo (Supp. 2007), in a final order under that statute, the Director "may charge the actual cost of investigation or proceeding for a violation of the insurance laws of this state . . . . These funds shall be paid to the director to the credit of the insurance dedicated fund."

58. In support of its request for costs and in accordance with the April 24th Order, the Consumer Affairs Division submitted three affidavits detailing the actual costs of the investigation and proceeding in this matter, calculated as follows:

Item	Rate	Total
36 Hours by Special Investigator Diana Brady[3]	$24.42/hr[4]	$ 879.12
18 Hours by Special Investigator Robert Volkmer	$25.68/hr	$ 462.24
9/26/07 Deposition of Kevin Louderback		$ 233.65
Proceeding Transcripts (10/12/07, 11/30/07, 12/21/07)[5]		$1,306.00
	TOTAL	**$2,881.01**

ORDER

IT IS HEREBY ORDERED that the April 24, 2008 Findings of Fact, Conclusions of Law and Order issued in this matter is declared a final order as of this date.

IT IS FURTHER ORDERED that a civil penalty or forfeiture award of $300,000.00 is imposed against each Respondent individually: Kevin Louderback, Citizens for Aids Assistance and Prevention (d/b/a under fictitious names CAAP and CAAP & Associates), Premier Financial Services, and Justin Barnes. Such payment shall be made payable to the treasurer of the state of Missouri and will be distributed by the department to the public schools as required by Article IX, section 7 of the Missouri Constitution. Such payment is due within ten (10) business days of the effective date of this Order and payable by money order or cashier's check. If Respondents fail to make the payment under the terms of this provision, the Director may pursue additional legal remedies to enforce this Order and collect the unpaid balance of this Order. The civil penalty ordered above shall be delivered to the Department of Insurance, Financial Institutions and Professional Registration, Attention Mary S. Erickson, Senior Enforcement Counsel, P.O.

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[3] Exhibit 29, Affidavit of Diana Brady, for the recitation of hours of Ms. Brady and Mr. Volkmer.

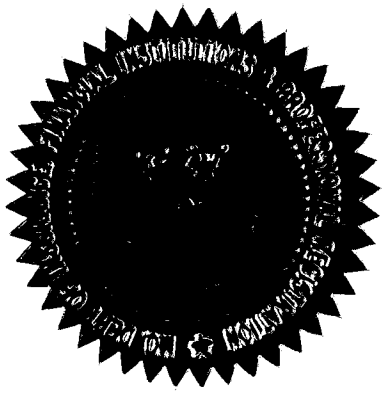
[4] Exhibit 30, Affidavit of Rochelle Hendrickson, for the calculation of the hourly rate for the Special Investigators.

[5] Exhibit 31, Affidavit of Julie Fortson, attesting to the actual costs incurred for court reporting services for this proceeding.

Box 690, Jefferson City, Missouri 65102. Any correspondence and/ or checks shall reference the above-cited case number.

IT IS FURTHER ORDERED that Respondents Kevin Louderback, Citizens for Aids Assistance and Prevention (d/b/a under fictitious names CAAP and CAAP & Associates), Premier Financial Services, and Justin Barnes, jointly and severally, shall be charged $2,881.01 representing the actual cost of investigation and proceeding in this matter for violations of the insurance laws of this state as authorized by §374.046, RSMo. Such payment shall be made payable to the Insurance Dedicated Fund as reimbursement of costs associated with the investigation and proceeding in this matter. Such payment shall be due within ten (10) business days of the effective date of this Order and payable by money order or cashier's check. If Respondents, jointly and severally, fail to make the payment under the terms of this provision, the Director may pursue additional legal remedies to enforce this Order and collect the unpaid balance of this Order. All payments ordered above shall be delivered to the Department of Insurance, Financial Institutions and Professional Registration, Attention Mary S. Erickson, Senior Enforcement Counsel, P.O. Box 690, Jefferson City, Missouri 65102. Any correspondence and/ or checks shall reference the above-cited case number.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 29th DAY OF MAY, 2008.



Douglas M. Ommen
Director

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served by U.S. Mail, postage prepaid, and UPS Next Day, postage prepaid, on this 29th day of May, 2008 to:

Kevin W. Louderback
Premier Financial Services
CAAP and CAAP & Associates
3831 W. Creekside Ct.
Springfield, MO 65802

Justin Barnes
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