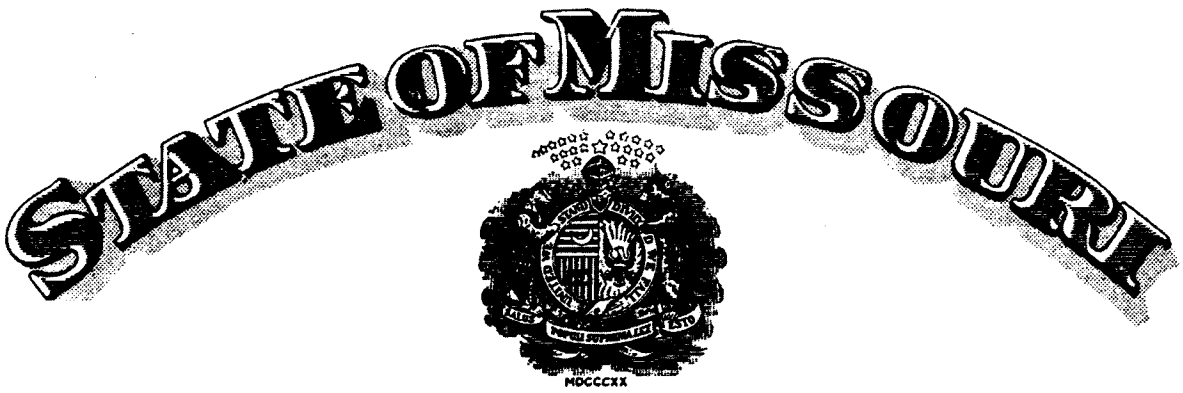


DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

In the Matter of:	)	
	)	
TERRIE JOHNSON	)	**DIFP Case No. 090409474C**

CONSENT ORDER

John M. Huff, Director of the Department of Insurance, Financial Institutions and Professional Registration takes up the above matter for consideration and disposition. The Consumer Affairs Division, through legal counsel Tamara W. Kopp, and Terrie Johnson have reached a settlement in this matter and have consented to the issuance of this Consent Order.

1. John M. Huff is the duly appointed Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereinafter, "Director") whose duties, pursuant to Chapters 374, 375, and 381, RSMo, include the supervision, regulation, and discipline of title insurance producers.

2. The Consumer Affairs Division has the duty of conducting investigations into the acts of insurance producers under the insurance laws of this state and is authorized

by the Director to investigate and to recommend enforcement action for violations of the insurance laws of this state.

3. Terrie Johnson is a licensed insurance producer first licensed by the Department on April 4, 2000. (License No. PR 0181641). Johnson's license is set to expire on April 4, 2010.

4. On or about December 30, 2008, United General Title Insurance Company ("United General") notified the Consumer Affairs Division of employee theft and mortgage fraud allegedly perpetrated by Johnson, a title agency employee. United General reported a shortage in the title agency trust account in the amount of $54,210.87. United General also disclosed that Johnson had access to another title agency escrow account and she allegedly used the moneys in the escrow account for personal gain. Further, United General alleged that Johnson failed to record the mortgage on her personal property in a timely manner and proceeded to refinance with another bank.

5. The Consumer Affairs Division investigated United General's allegations. The facts are as follows:

a. Employee Theft

i. Johnson deposited title agency escrow funds into the Exchange Bank checking account. ATM debit transactions over a period of two years totaled approximately $92,831. Johnson wrote checks from the account, payable to herself, totaling approximately $52,000.

ii. Johnson did not advise the title agency owners that she was depositing escrow funds into the Exchange Bank checking account and later withdrawing funds.

iii. An audit performed by United General of a Commerce Bank title agency trust account revealed a shortage of approximately $54,210.87.

b. Mortgage Fraud

i. In August of 2007 Johnson purchased a house located at 4405 Richland Heights Road, Fulton, Missouri (Mortgage 1 with Jefferson Bank).

ii. In December of 2007 Johnson refinanced Mortgage 1 with Countrywide, but failed to pay off Mortgage 1 with the refinance proceeds (Mortgage 2). Instead, Johnson paid $88,000 to reimburse monies she had taken in connection with a 1031 exchange account. Johnson used the remaining refinance proceeds from Mortgage 2 to pay $55,000 to Jefferson Bank in connection with Mortgage 3 (see below) and wrote herself a check in the amount of $31,894.57. Johnson did not timely record Mortgage 2 in favor of Countrywide.

iii. In January of 2008 Johnson refinanced Mortgage 1 with Jefferson Bank (Mortgage 3). However, Johnson had not yet recorded Mortgage 2 in favor of Countrywide which failed to provide constructive notice to Jefferson Bank that another mortgage had been granted on the property. Further, Johnson failed to disclose Mortgage 2 to Jefferson Bank when she obtained Mortgage 3.

6. On or about April 8, 2009, the Consumer Affairs Division referred Investigation File Number 09A000019, concerning Johnson, to the Director seeking to discipline Johnson's insurance producer license.

7. The Consumer Affairs Division alleged that based upon information obtained from United General and its own investigation, Johnson committed theft of escrow account funds and mortgage fraud which is grounds for disciplining her insurance producer license pursuant to §§ 375.141.1(2), 375.141.1(4), and 375.141.1(8), RSMo (Supp. 2008).

8. On or about April 24, 2009, counsel for the Consumer Affairs Division described the specific conduct for which discipline was sought and citation to the law and rules allegedly violated, along with documents which were the basis thereof. Counsel for the Consumer Affairs Division advised Johnson that she had sixty (60) days review the relevant documents and consider the proposed settlement offer.

9. Johnson agrees that if proven, the allegations raised by the Consumer Affairs Division constitute grounds to discipline her insurance producer license. Johnson further admits to the facts alleged by the Consumer Affairs Division, solely for the purposes of settlement and not as an admission of liability, and Johnson admits that her producer license is subject to discipline.

10. Johnson has the right to consult counsel at her own expense.

11. Johnson has been advised that she may, either at the time the Consent Order is signed by all parties, or within fifteen (15) days thereafter, submit the Consent Order to the Administrative Hearing Commission for determination that the facts agreed to by the

parties to the settlement constitute grounds for disciplining Johnson insurance producer license.

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

Conclusions of Law

13. The allegations raised by the Consumer Affairs Division, if proven, are grounds to discipline Johnson's insurance producer license. Solely for the purposes of settlement and not as an admission of liability, Johnson has admitted to the facts alleged by the Consumer Affairs Division and she has admitted that her producer license is subject to discipline.

14. The Director is authorized to settle this matter and issue this Consent Order in the public interest pursuant to §§ 374.046, RSMo (Supp. 2008), 374.280 and 536.060, RSMo (2000).

15. The Director is authorized to enforce this Consent Order and should Johnson fail to comply with any of the conditions set forth herein, the Director or his successors, without any limitation, may initiate any action authorized by law, including referral of this case to criminal prosecutors.

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.

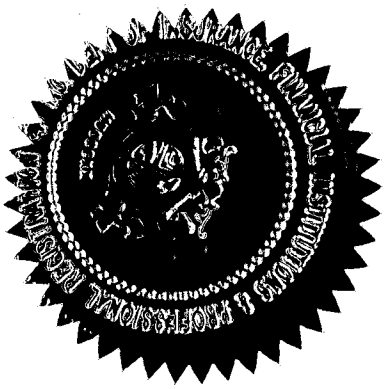
ORDER

IT IS ORDERED THAT Terrie Johnson's insurance producer license (License No. PR 0181641) is hereby **REVOKED**.

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.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 11TH **DAY OF** MAY **, 2009.**

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



CONSENT AND WAIVER OF HEARING

The undersigned persons understand and acknowledge that Terrie Johnson has the right to a hearing, but that Terrie Johnson has waived the hearing and consented to the issuance of this Consent Order.

Terrie Johnson
Respondent

4/30/09
Date

Counsel for Terrie Johnson
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Telephone: (660) 248-2224

5-4-09
Date

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5-11-09
Date