State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS & PROFESSIONAL REGISTRATION

IN THE MATTER OF:	)	
	)	
	)	**Case No. 09-0608558C**
Harold J. Shields,	)	
Applicant.	)	
	)	
Serve at:	)	
400 Continental Boulevard	)	
6th Floor	)	
El Segundo, California 90245	)	

REFUSAL TO ISSUE INSURANCE PRODUCER LICENSE

On July 16, 2009, Tamara W. Kopp, Senior Enforcement Counsel and Counsel to the Consumer Affairs Division, submitted a Petition to the Director alleging cause for refusing to issue an insurance producer license to Harold J. Shields. After reviewing the Petition, the Investigative Report, and the entirety of the file, the Director issues the following findings of fact, conclusions of law, and summary order:

FACTUAL BACKGROUND

1. Harold J. Shields ("Shields") is an individual residing in California, whose mailing address of record is 400 Continental Boulevard, 6th Floor, El Segundo, California 90245.

2. The Department first issued Shields an insurance producer license on November 21, 2005. (License No. 359847). On November 21, 2007, Respondent's insurance producer license expired.

3. Insurance producers may reinstate an expired license without passing a written examination if the producer provides proof to the Department that they have met continuing education requirements and pays a $25.00 per month penalty. See § 375.018.4, RSMo (Supp. 2008).

4. In March of 2008, Shields wrote a check (Check #100), payable to the "Missouri Department of Insurance" in the amount of $200.00 to renew his Life Insurance producer license. Shields wrote the check on a Bank of America account for Shields Capital Group Inc. The check comprised $100.00 to renew his license and $100.00 in

late fees.

5. On or about March 21, 2008, Department staff transferred the check to Department of Revenue (Revenue) staff who deposited the check into a state account at Central Trust Bank.

6. On or about March 25, 2008, the Department renewed Shields' license.

7. On or about March 27, 2008, Bank of America returned the check to Central Trust Bank for insufficient funds.

8. On or about March 31, 2008, Central Trust Bank returned the check to Revenue. Revenue staff then returned the check to the Department.

9. On or about April 1, 2008, Department staff sent a letter to Shields Capital Group, notifying Shields Capital Group that the check was returned for insufficient funds. The letter indicated that Shields Capital Group should send a replacement check in the amount of $225.00 to cover the returned check and an additional $25.00 late fee.

10. Department staff also contacted Shields by phone on April 1, April 15, and May 15, 2008, to inquire about the returned check.

11. On each occasion, Shields assured Department staff that he was going to the post office that day and sending the money to cover the bad check.

12. Shields contacted the Department on June 11, 2008 and said that he will no longer be doing business in Missouri.

13. On September 15, 2008, the Director revoked Shield's insurance producer license pursuant to a Consent Order.

14. On or about May 4, 2009, the Department received the Uniform Application for Individual Insurance Producer License of Shields ("Application").

15. In the section of the Application headed "Background Information," Question # 2 asks "Have you . . . ever been involved in an administrative proceeding regarding any professional or occupational license, or registration? "Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation or surrendering a license to resolve an administrative action."

16. Shields answered "No" to Question # 2.

17. Shield's response to Question # 2 is not truthful.

CONCLUSIONS OF LAW

18. Section 375.141.1, RSMo (Supp. 2008), provides:

    The director may suspend, revoke, refuse to issue or refuse to renew an insurance producer license for any one or more of the following causes:

    ...

    (3) Obtaining or attempting to obtain a license through material misrepresentation or fraud;

    ...

    (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

19. The principal purpose of § 375.141, RSMo (Supp. 2008), is not to punish licensees or applicants, but to protect the public. *Ballew v. Ainsworth*, 670 S.W.2d 94, 100 (Mo.App. E.D. 1984).

20. Shields may be refused an insurance producer license for obtaining a license through material misrepresentation or fraud pursuant to § 375.141.1(3), RSMo (Supp. 2008). Shields misrepresented that the check he supplied the Department in 2008 was written on an account with sufficient funds. Department staff relied upon Shields' misrepresentation which caused Department staff to renew his license.

21. Shields lied to the Department when he repeatedly said he would send money or a replacement check to cover the bad check; however, such a check or money never arrived. Shields' continued misrepresentations demonstrate fraudulent, coercive, or dishonest practices and are cause for refusal pursuant to § 375.141.1(8), RSMo (Supp. 2008).

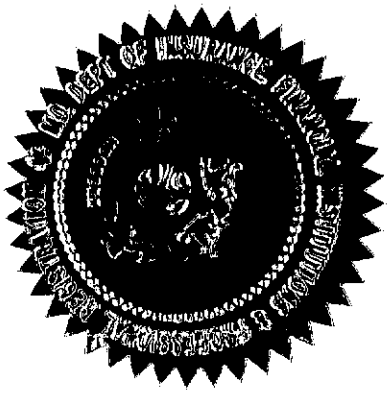
22. Shields' failure to disclose a prior license revocation on the Application demonstrates fraudulent or dishonest behavior and is cause for refusal pursuant to § 375.141.1(8), RSMo (Supp. 2008). Such failure to disclose also constitutes an attempt to obtain a license through material misrepresentation or fraud and is cause for refusal pursuant to § 375.141.1(3), RSMo (Supp. 2008).

23. This Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that the insurance producer license application of Harold J. Shields is hereby summarily **REFUSED**.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 20th DAY OF JULY, 2009.



JOHN M. HUFF
DIRECTOR

NOTICE

TO: Applicant and any unnamed persons aggrieved by this Order:

You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission, P.O. Box 1557, Jefferson City, Missouri within 30 days after the mailing of this notice pursuant to § 621.120, RSMo.

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of August, 2009, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by priority mail No. 0307 3330 0000 7082 7520.

Karen Crutchfield

Karen Crutchfield
Senior Office Support Staff