State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS & PROFESSIONAL REGISTRATION

IN THE MATTER OF:	)	
	)	
	)	**Case No. 09-1116771C**
Carol W. Jones,	)	
	)	
Applicant.	)	
	)	
Serve at:	)	
403 SW Joy Court	)	
Blue Springs, Missouri 64014	)	

REFUSAL TO ISSUE INSURANCE PRODUCER LICENSE

On December 2, 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 Carol W. Jones. 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. Carol W. Jones ("Jones") is an individual residing in Missouri, whose mailing address of record is 403 SW Joy Court, Blue Springs, Missouri 64014.

2. On September 10, 2009, the Department received a Uniform Application for Individual Insurance Producer License ("Application") from Jones.

3. In the section of the Application headed "Background Questions," Background Question # 1 asks "Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?

4. Jones answered "Yes" to Background Question # 1.

5. Jones disclosed a 1995 felony conviction in the United States District Court for the Western District of Missouri. Jones was found guilty of one count of felony mail fraud (18 U.S.C. § 1341) for her involvement in a scheme to defraud individuals who

used Jackson County Escrow to hold their funds in escrow accounts and then disburse these funds in conjunction with the sale of residential property. Jones admitted that she converted the escrow funds to her personal use and the use of others. She was sentenced to 12 months and one day in federal prison to be followed by three years supervised release. Jones was also ordered to pay restitution in the amount of $645,006.14.

6. Jones was imprisoned from October 5, 1995, until August 26, 1996, when she was released and then served three years supervised probation.

CONCLUSIONS OF LAW

7. 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:
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> * * *
>
> (6) Having been convicted of a felony or crime involving moral turpitude;
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> (7) Having admitted or been found to have committed any insurance unfair trade practice or fraud;
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> (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;
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> * * *
>
> (12) Knowingly acting as an insurance producer when not licensed or accepting insurance business from an individual knowing that person is not licensed;
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> * * *

8. A crime involving "moral turpitude" is a crime involving "an act of baseness, vileness, or depravity in the private and social duties which a man owes to his fellowman or to society in general, contrary to the accepted and customary rule of right and duty between man and man; everything 'done contrary to justice, honesty, modesty, and good morals'." *In re Frick*, 694 S.W.2d 473, 479 (Mo. banc 1985).

9. 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).

10. Jones may be refused an insurance producer license pursuant to § 375.141.1(6), RSMo (Supp. 2008), because the offense of mail fraud is a felony pursuant to 18 U.S.C. § 1341.

11. Jones may be refused an insurance producer license pursuant to § 375.141.1(6), RSMo (Supp. 2008), in that the acts constituting the offense of mail fraud are

contrary to justice, honesty and good morals, and the offense is therefore a crime of moral turpitude. *Neibling v. Terry*, 177 S.W. 2d 502, 503 (Mo. banc 1944). For a general explanation of crimes of moral turpitude, see *Brehe v. Missouri Dept. of Elementary & Secondary Educ.*, 213 S.W.3d 720, 725 (Mo. App. W.D. 2007).

12. Jones may be refused an insurance producer license pursuant to § 375.141.1(7), RSMo (Supp. 2008) because she admitted to committing and was convicted of fraud. Jones pled guilty to mail fraud, 18 U.S.C. § 1341, on May 4, 1994. She was convicted of mail fraud when the United States District Court for the Western District of Missouri imposed judgment and sentence on September 14, 1995.

13. Jones may be refused an insurance producer license pursuant to § 375.141.1(8), RSMo (Supp. 2008), because she used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere. Jones' felony conviction resulted from her work as president of Jackson County Escrow Services where she was involved in a scheme to defraud individuals of their escrow funds. Jones admitted that, as business declined she converted escrow funds to her personal use and the use of others. Such conduct shows fraudulent, coercive, and dishonest practices and demonstrates incompetence, untrustworthiness and financial irresponsibility in the conduct of business.

14. Jones may be refused an insurance producer license pursuant to § 375.141.1(12), RSMo (Supp. 2008) because Jones knowingly acted as an insurance producer when not licensed as an insurance producer. Jones worked as an escrow closer for Stewart Title from 2001 to 2007. Jones' activities as an escrow closer required that she be licensed as an insurance producer pursuant to § 375.014 and § 381.031, RSMo. Jones was not licensed as an insurance producer at any time between 2001 and 2007.

15. Jones was convicted of a felony that involved fraud and was a crime of moral turpitude. Jones' past activities in the escrow business resulted in her felony conviction and are directly related to the line of business for which she seeks licensure. Further, Jones engaged in the business of insurance for approximately six years without obtaining a license. Granting Jones's Missouri insurance producer license would not be in the interest of the public.

16. This Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that the insurance producer license application of Carol W. Jones is hereby summarily **REFUSED**.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 1st **DAY OF** FEBRUARY, 20 10.

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. Under 1 CSR 15-3.290, unless you send your complaint by registered or certified mail, it will not be considered filed until the Administrative Hearing Commission receives it.

CERTIFICATE OF SERVICE

I hereby certify that on this __1____ day of February, 2010, a copy/duplicate original of the foregoing Order and Notice was served upon the Applicant in this matter by certified/priority mail No. ___70073020000315724995____.

Carol W. Jones
403 SW Joy Court
Blue Springs, Missouri 64014

Kimberly Landers