



**State of Missouri**

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND  
PROFESSIONAL REGISTRATION**

**IN RE:** )  
 )  
**GEORGE KOSTA PALIAS,** ) **Case No. 140922667C**  
 )  
**Applicant.** )

**ORDER REFUSING TO ISSUE**  
**A MOTOR VEHICLE EXTENDED SERVICE CONTRACT PRODUCER LICENSE**

On November 20, 2014, the Consumer Affairs Division submitted a Petition to the Director alleging cause to refuse the motor vehicle extended service contract producer license application of George Kosta Palias. After reviewing the Petition, Investigative Report, and the entirety of the file, the Director issues the following findings of fact, conclusions of law, and Order:

**FINDINGS OF FACT**

1. George Kosta Palias ("Palias") is a New Jersey resident with a residential address of record of 207½ 12th Ave, Belmar, NJ 07719.
2. On January 17, 2014, the Department of Insurance, Financial Institutions and Professional Registration ("Department") received Palias's Application for Motor Vehicle Extended Service Contract Producer License ("Application").
3. Palias answered "Yes" to Background Information question 36.1 of the Application which asked, in relevant part:

Have you ever been convicted of a crime, had a judgment withheld or deferred, received a suspended imposition of sentence ("SIS") or suspended execution of sentence ("SES"), or are you currently charged with committing a crime?

\* \* \*

If you answer yes, you must attach to this application:

- a) a written statement explaining the circumstances of each incident,
- b) a certified copy of the charging document, and

c) a certified copy of the official document which demonstrates the resolution of the charges or any final judgment.

4. Palias's Application included a handwritten letter dated February 8, 2012<sup>1</sup> in which Palias states: "I was charged with conspiring to illegally distribute oxycodone. Since that time I have, and still seeking [sic] treatment."
5. Palias's Application also included a press release from the United States Attorney, District of New Jersey, dated February 19, 2009, announcing that "George Palias, 28, of Toms River, pleaded guilty ... to one count of conspiracy to distribute and possess with intent to distribute oxycodone."
6. Palias's Application did not include a certified copy of the charging document in *United States v. George Palias*, U.S. Dist. Ct., D.N.J., Case No. 3:08-CR-00675-MLC, or a certified copy of any official document demonstrating the resolution of the charges or any final judgment therein.
7. Palias answered "No" to Background Information question 36.2 of the Application which asked, in relevant part:

Have you ever been named or involved as a party in an administrative proceeding or action regarding any professional or occupational license or registration, or regarding the lack of such license or registration?

\* \* \*

If you answer yes, you must attach to this application:

- a) a written statement identifying the type of license and explaining the circumstances of each incident,
  - b) a copy of the Notice of Hearing or other document that states the charges and allegations, and
  - c) a certified copy of the official document which demonstrates the resolution of the charges and/or a final judgment.
8. The Applicant's Certification and Attestation section of the Application, which Palias accepted by his signature notarized January 13, 2014, provides, in relevant part:

I hereby certify, under penalty of perjury, that all of the information submitted in this application and attachments is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties.

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<sup>1</sup> In addition to being dated nearly two years prior to the Application, the letter provides a different, presumably prior address for Palias: 593 Clifton Ave, Apt 9, Toms River, NJ.

9. The Consumer Affairs Division (“Division”) of the Department conducted an investigation and discovered, contrary to Palias’s sworn representation on his Application that he had never been a party to an administrative proceeding regarding any professional or occupational license, that Palias’s pharmacy technician license was suspended by Final Order of Discipline of the New Jersey State Board of Pharmacy on or about August 11, 2010.
10. As part of his guilty plea in *United States v. George Palias*, U.S. Dist. Ct., D.N.J., Case No. 3:08-CR-00675-MLC, Palias admitted that between December 2007 and March 2008, he conspired with a coworker to divert oxycodone from their mutual employer, Community Medical Center in Toms River, New Jersey, on at least three occasions. Palias and his co-conspirator sold the oxycodone to an undercover law enforcement officer.
11. Palias pled guilty to, and was convicted of, the charge that Palias “did knowingly and intentionally distribute and possess with intent to distribute oxycodone, a Schedule II controlled substance” in violation of 21 U.S.C. § 841(a)(1), (b)(1)(C) and 18 U.S.C. § 2. Amended Plea Agreement, *United States v. George Palias*, U.S. Dist. Ct., D.N.J., Case No. 3:08-CR-00675-MLC. The court sentenced Palias to imprisonment for 24 months. Judgment, *Id.*
12. It is inferable, and hereby found as fact, that Palias answered “No” to Background Information question 36.2 of the Application in order to misrepresent to the Director that he had not previously had a professional or occupational license subjected to discipline and, accordingly, to improve the chance that the Director would act favorably on the Application and issue Palias a motor vehicle extended service contract (“MVESC”) producer license.

### CONCLUSIONS OF LAW

13. Section 385.209.1, RSMo (Supp. 2013),<sup>2</sup> provides, in relevant part:

The director may suspend, revoke, refuse to issue, or refuse to renew a registration or license under sections 385.200 to 385.220 for any of the following causes, if the applicant or licensee or the applicant's or licensee's subsidiaries or affiliated entities acting on behalf of the applicant or licensee in connection with the applicant's or licensee's motor vehicle extended service contract program has:

\* \* \*

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<sup>2</sup> All statutory references are to the 2000 Missouri Revised Statutes, as updated by the 2013 RSMo Supplement, unless otherwise noted.

(3) Obtained or attempted to obtain a license through material misrepresentation or fraud;

\* \* \*

(5) Been convicted of any felony; [or]

(6) Used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere[.]

14. Just as the principal purpose of § 375.141, the insurance producer disciplinary statute, 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), the purpose of § 385.209 is not to punish applicants for MVESC producer licensure, but to protect the public.
15. The Director may refuse to issue a MVESC producer license to Palias pursuant to § 385.209.1(3) because Palias has attempted to obtain a MVESC producer license through material misrepresentation or fraud, specifically by his sworn false answer to Background Information question 36.2 of the Application, claiming that he had never been involved in an administrative action regarding any professional or occupational license when in fact his New Jersey pharmacy technician license had been suspended, and by his incomplete response to Background Information question 36.1, which required documentation regarding his criminal conviction that Palias never included or otherwise provided to the Department.
16. The Director may refuse to issue a MVESC producer license to Palias pursuant to § 385.209.1(5) because Palias has been convicted of a felony, specifically knowing and intentional distribution, and possession with the intent to distribute oxycodone, a Schedule II controlled substance, in violation of 21 U.S.C. § 841(a)(1), (b)(1)(C) and 18 U.S.C. § 2. *United States v. George Palias*, U.S. Dist. Ct., D.N.J., Case No. 3:08-CR-00675-MLC.
17. The Director may refuse to issue a MVESC producer license to Palias pursuant to § 385.209.1(6) because Palias has used dishonest practices or demonstrated incompetence or untrustworthiness in the conduct of business, specifically by violating the trust placed in him by his former employer and the New Jersey State Board of Pharmacy, or being unwilling or unable to operate in the profession of a pharmacy technician lawfully, when he repeatedly converted or stole oxycodone from his employer's possession to sell for his own financial gain. *Id.*

18. The Director has considered Palias's history and all of the circumstances surrounding Palias's Application. Issuing Palias a MVESC producer license would not be in the interest of the public. Accordingly, the Director exercises his discretion and refuses to issue Palias a MVESC producer license.
19. This Order is in the public interest.

**ORDER**

**IT IS THEREFORE ORDERED** that the motor vehicle extended service contract producer license application of **George Kosta Palias** is hereby **REFUSED**.

**SO ORDERED.**

WITNESS MY HAND THIS 24 DAY OF November, 2014.



A handwritten signature in black ink, appearing to read "John M. Huff", is written over a horizontal line.

**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 of Missouri, P.O. Box 1557, Jefferson City, Missouri, within 30 days after the mailing of this notice pursuant to Section 621.120, RSMo. Pursuant to 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 25th day of November, 2014, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by UPS, signature required service, at the following address:

George Kosta Palias  
207½ 12th Avenue  
Belmar, New Jersey 07719-2415

No. 1Z0R15W84298489509

  
Kathryn Latimer, Paralegal  
Missouri Department of Insurance, Financial  
Institutions and Professional Registration  
301 West High Street, Room 530  
Jefferson City, Missouri 65101  
Telephone: (573) 751-6515  
Facsimile: (573) 526-5492  
Email: Kathryn.Latimer@insurance.mo.gov