DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

In RE:	)	
	)	
GERALD D. OFFICER,	)	
	)	
JUDITH A. OFFICER,	)	
	)	
and	)	**Case No. 13-0227205C**
	)	
AMERICAN INSURANCE ALLIANCE, INC.	)	
	)	
Respondents.	)	

CONSENT ORDER

John M. Huff, Director of the Department of Insurance, Financial Institutions and Professional Registration, takes up the above-referenced matter for consideration and disposition. The Consumer Affairs Division, through counsel, Kevin V. Spear, and Respondents Gerald D. Officer, Judith A. Officer, and American Insurance Alliance, Inc. (collectively "Respondents") 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 ("Director" of the "Department")

whose duties, pursuant to Chapters 374 and 375 RSMo,[1] include supervision, regulation and discipline of insurance producers and business entity producers authorized to conduct business in the state of Missouri.

2. The Consumer Affairs Division ("Division") of the Department has the duty of conducting investigations into the unfair or unlawful acts of insurance producers and companies under the insurance laws of this state and has been authorized by the Director to initiate actions before the Director to enforce the insurance laws of this state.

3. The Department issued Respondent Gerald D. Officer an insurance producer license (No. 0274893) on May 17, 1990. Gerald Officer's license expired on May 17, 2012.

4. The Department issued Respondent Judith A. Officer an insurance producer license (No. 0287739) on January 7, 1986. Judith Officer's license expired on January 7, 2012.

5. The Department issued Respondent American Insurance Alliance, Inc. ("AIA") a business entity producer license (No. 0001871) on December 4, 1990. AIA's license expired on December 4, 2012. Until AIA was administratively dissolved by the Missouri Secretary of State in 2012, Judith Officer was an officer of AIA and was on its board of directors.

6. On April 17, 2012, Gerald Officer testified, under oath, in a subpoena conference before the Department.

7. On August 9, 2012, Judith Officer testified, under oath, in a subpoena conference before the Department.

8. In their subpoena conferences, Gerald and Judith Officer admitted to misappropriating premiums by unlawfully using the premium money to cover other expenses. Such conduct is cause for discipline of Respondent's licenses pursuant to § 375.141.1(4) for

[1] All statutory references are to the 2012 Supplement to the Revised Statutes of Missouri unless otherwise noted.

withholding, misappropriating, or converting money received in the course of doing insurance business.

9. In their subpoena conferences, Gerald and Judith Officer admitted to soliciting insurance business and accepting premiums for policies that they failed to procure or renew. Such conduct is a violation of § 375.144(4) for engaging in a practice or course of business which operates as a fraud or deceit upon any person, which is a ground for discipline of Respondent's licenses pursuant to § 375.141.1(2). Such conduct is also a ground for discipline of Respondent's licenses pursuant to § 375.141.1(8) for using fraudulent or dishonest practices, or demonstrating untrustworthiness or financial irresponsibility in the conduct of business.

10. Judith Officer knew or should have known of her own violations of the insurance laws, yet she failed to report such violations to the Director or take any corrective actions to remedy the wrongs. This is grounds to discipline the business entity producer license of AIA pursuant to § 375.141.3 because Judith Officer was an officer of AIA.

11. On April 12, 2013, counsel for the Division provided a written description of the specific conduct for which discipline was sought and a citation to the law and rules allegedly violated, together with copies of any documents upon which it based the allegations, and the Division's settlement offer, namely, this Consent Order, in accordance with § 621.045.4(1).

12. Respondents admit, acknowledge, and understand that under § 375.141.1(2), (4), and (8), the Director may discipline Respondents' insurance producer licenses. AIA admits, acknowledges, and understands that under § 375.141.3, the Director may discipline AIA's business entity producer license.

13. Respondents acknowledge and understand that they have the right to consult counsel at their own expense.

14. Respondents have been advised that they 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 a determination that the facts agreed to by the parties to the Consent Order constitute grounds for discipline of Respondents' insurance producer licenses.

15. Except as provided in paragraph 14 above, Respondents stipulate and agree to waive any waivable rights that they 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 Division from all liability and claims arising out of, pertaining to, or relating to this matter.

16. 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.

Conclusions of Law

17. Section 375.141 provides, in relevant part:

> 1. 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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> * * *
>
> (2) Violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state;
>
> * * *
>
> (4) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;

* * *

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

* * *

3. The license of a business entity licensed as an insurance producer may be suspended, revoked, renewal refused or an application may be refused if the director finds that a violation by an individual insurance producer was known or should have been known by one or more of the partners, officers or managers acting on behalf of the business entity and the violation was neither reported to the director nor corrective action taken.

18. Section 375.144 states, in relevant part:

1. It is unlawful for any person, in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly, to:

* * *

(4) Engage in any act, practice, or course of business which operates as a fraud or deceit upon any person.

19. The actions admitted by Respondents are grounds to discipline Respondents' insurance producer licenses pursuant to § 375.141.1(2), (4), and (8).

20. The actions admitted by Respondents are grounds to discipline AIA's business entity producer license pursuant to § 375.141.3.

21. Pursuant to § 375.141.4, the Director may revoke any license issued by the Director where the licensee has failed to renew such license.

22. The Director may impose orders in the public interest under § 374.046.

23. 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 Respondent Gerald D. Officer's insurance producer license (No. 0274893) is hereby REVOKED.

IT IS ORDERED that Respondent Judith A. Officer's insurance producer license (No. 0287739) is hereby REVOKED.

IT IS ORDERED that Respondent American Insurance Alliance, Inc.'s business entity producer license (No. 0001871) is hereby REVOKED.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 1st DAY OF MAY, 2013.

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

CONSENT AND WAIVER OF HEARING

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

Gerald D. Officer
Respondent
2106 Willow Trace Drive
Arnold, Missouri 63010

4-22-13
Date

Counsel for Gerald D. Officer
Name: _____
Missouri Bar No. _____
Address: _____
_____
Telephone: _____

Date

Judith A. Officer
Respondent
2106 Willow Trace Drive
Arnold, Missouri 63010

4-22-13
Date

Counsel for Judith A. Officer
Name: _____
Missouri Bar No. _____
Address: _____
_____
Telephone: _____

Date

Lori L Chaptman

American Insurance Alliance, Inc.
By Lori L. Chaptman, President
Respondent
3838 Jeffco Blvd., Suite 17
Arnold, Missouri 63010

4/22/13
Date

Counsel for American Insurance Alliance, Inc.
Name: _____
Missouri Bar No. _____
Address: _____
_____
Telephone: _____

Date

Kevin V. Spear
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Missouri Bar No. 65199
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Institutions and Professional Registration
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4/29/13
Date