

BEFORE THE ADMINISTRATIVE HEARING COMMISSION  
STATE OF MISSOURI

DIRECTOR, DEPARTMENT OF INSURANCE,  
FINANCIAL INSTITUTIONS AND  
PROFESSIONAL REGISTRATION  
STATE OF MISSOURI,

Petitioner,

vs.

WENDI ANN GLASS,

and

VMG,

Respondents.

Serve:

Wendi Ann Glass  
3250 N Waterford Dr.  
Florissant, Missouri 63033  
(314) 921-9932

and

VMG  
12777 New Halls Ferry Rd.  
Florissant, Missouri 63033  
(314) 839-4864

**FILED**

NOV 05 2009

ADMINISTRATIVE HEARING  
COMMISSION

Case No.:

COMPLAINT

JOHN M. HUFF, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, through counsel, complains and requests the Administrative Hearing Commission find that cause exists for disciplinary action against Respondents, Wendi Ann Glass and VMG, because:

### **INFORMATION RELEVANT TO ALL COUNTS**

1. Petitioner is the Director (“Director”) of the Missouri Department of Insurance, Financial Institutions and Professional Registration, whose duties include, pursuant to chapters 374 and 375, RSMo, the regulation, supervision, and discipline of insurance producers.
2. The Missouri Department of Insurance, Financial Institutions and Professional Registration (“Department”), originally issued an insurance producer license to Wendi Ann Glass (“Respondent Glass”) on October 25, 2005, license number 0357942, which has been subsequently renewed and expires on October 25, 2009.
3. The Department originally issued a business entity insurance producer license to VMG (“Respondent VMG”) on January 10, 2006, license number 8020862, which has been subsequently renewed and expires on January 10, 2010.
4. At all times relevant to this Complaint Respondent Glass was the owner and responsible insurance producer for Respondent VMG.
5. The Commission has jurisdiction over this Complaint pursuant to § 621.045, RSMo (Supp. 2008).

### **FACTS RELEVANT TO COUNTS I THROUGH V**

6. On or about September 16, 2008, Dana Hollinshed (“Hollinshed”) contacted Respondent Glass regarding purchasing homeowners insurance for a new home located at 1516 Attica Dr., St. Louis, Missouri 63137.
7. On September 16, 2008, Respondent Glass provided a quote for homeowners insurance to Hollinshed with insurer Unitrin/Kemper with an annual premium of \$661 and a \$100 one-time broker fee.
8. Hollinshed did not sign a producer service agreement with either Respondent Glass or Respondent VMG.

9. On July 29, 2008, Respondents' authority to bind insurance with Unitrin/Kemper was suspended and on January 26, 2009, Unitrin/Kemper terminated Respondents' insurance business relationship.
10. On September 20, 2008, Hollinshed paid the \$100 one-time broker fee to Respondent Glass.
11. On or about October 15, 2008, \$661 was paid by LandAmerica Commonwealth on behalf of Hollinshed to Respondent Glass for Hollinshed's homeowners insurance.
12. On October 20, 2008, Respondent VMG cashed the \$661 check received for Hollinshed's homeowners insurance.
13. Respondent Glass never obtained homeowners insurance for Hollinshed with Unitrin/Kemper.
14. Respondent Glass did not inform Hollinshed that she was unable to secure an insurer willing to provide coverage within 30 days of the original application for insurance.
15. On January 27, 2009, Hollinshed contacted Respondent Glass to obtain her homeowners policy information.
16. On January 27, 2009, Respondent Glass obtained homeowners insurance for Hollinshed's home at 1516 Attica Dr., through Foremost Insurance Company ("Foremost") for an annual premium of \$895.
17. On January 27, 2009, Respondent VMG made an online down-payment of \$79.92 on Hollinshed's Foremost homeowners policy.
18. On February 23, 2009, Respondent VMG made an online payment of \$76.28 on Hollinshed's Foremost homeowners policy.

19. On March 9, 2009, Hollinshed contacted Foremost to advise Foremost that Respondents were paid an annual premium and that Hollinshed would contact Respondents to correct the policy billing from a monthly bill to an annual bill.
20. On March 23, 2009, Respondent VMG made an online payment of \$76.28 on Hollinshed's Foremost homeowners policy.
21. On April 12, 2009, Respondent VMG made an online payment of \$76.28 on Hollinshed's Foremost homeowners policy.
22. On June 4, 2009, Respondent VMG made an online payment of \$76.28 on Hollinshed's Foremost homeowners policy, requested that the billing plan be changed from lien holder billing to insured billing, and that the 12-pay billing be changed to a 12-pay EFT using Respondent VMG's bank account information for future withdrawals.
23. On June 25, 2009, Respondent VMG made an online payment of \$295.96 on Hollinshed's Foremost homeowners policy.

### COUNT I

24. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 6 through 23.
25. Title 20 CSR 700-1.140(1)(A) states that "[e]very insurance producer shall handle every application for new coverage under a personal insurance policy and every request for amendments to an existing policy in a manner which will secure the new or amended coverage as soon as is reasonably possible, unless a longer time is permitted under a written agreement between the licensee and the insured or prospective insured. If within thirty (30) days of the original application for insurance the licensee has not yet secured an insurer willing to provide coverage, the licensee immediately shall inform the prospective insured of this fact in writing."

26. Section 375.141.1(2), RSMo (Supp. 2008), states that the Director may suspend, revoke, or refuse to issue or refuse to renew an insurance producer license for “violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state.”

27. Respondent Glass failed to inform Dana Hollinshed (“Hollinshed”) in writing that she was unable to secure an insurer willing to provide coverage within 30 days of the original application for insurance. Such is a violation of 20 CSR 700-1.140(1)(A) and a cause to discipline Respondent Glass’ insurance producer license pursuant to § 375.141.1(2), RSMo (Supp. 2008).

### COUNT II

28. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 6 through 27.

29. Title 20 CSR 1-140(1)(D) states that “[i]nsurance producers shall remit all premium payments associated with a personal insurance policy to those persons entitled to them as soon as is reasonably possible after their receipt by the licensee, but in no event later than thirty (30) days after the date of receipt, provided, however, that premiums may be remitted at a later point in time if the licensee is so authorized under a written agreement between the licensee and the person legally entitled to the premiums. In no event, however, shall a licensee retain premium payments if to do so will result in the failure to obtain or continue coverage on behalf of an insured or prospective insured.”

30. Section 375.141.1(2), RSMo (Supp. 2008), states that the Director may suspend, revoke, or refuse to issue or refuse to renew an insurance producer license for “violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state.”

31. Respondent Glass failed to remit all premium payments associated with Hollinshed's Foremost homeowners policy to Foremost within 30 days of receipt of premium. Such is a violation of 20 CSR 1-1.140(1)(D) and cause to discipline Respondent Glass' insurance producer license pursuant to § 375.141.1(2), RSMo (Supp. 2008).

### **COUNT III**

32. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 6 through 31.

33. Section 375.141.1(4), RSMo (Supp. 2008), states that the Director may suspend, revoke, or refuse to issue or refuse to renew an insurance producer license for "improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business."

34. Respondent Glass, by collecting payments for insurance from Hollinshed on September 20, 2008, and on October 15, 2008, and failing to obtain homeowners insurance for Hollinshed until January 27, 2009, improperly withheld, misappropriated or converted money received in the course of doing insurance business. Such is cause to discipline Respondent Glass' insurance producer license pursuant to § 375.141.1(4), RSMo (Supp. 2008).

### **COUNT IV**

35. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 6 through 34.

36. Section 375.144, RSMo (Supp. 2008), states, in part, that "[i]t is unlawful for any person, in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly, to: (1) Employ any deception, device, scheme or artifice to defraud[.]"

37. Section 375.141.1(2), RSMo (Supp. 2008), states that the Director may suspend, revoke, or refuse to issue or refuse to renew an insurance producer license for "violating any insurance

laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state.”

38. Respondent Glass, by collecting payments for insurance from Hollinshed on September 20, 2008, and on October 15, 2008, and not procuring insurance until January 27, 2009, deceived Hollinshed into thinking that Hollinshed had purchased homeowners insurance for her new home. Such is a violation of § 375.144(1), RSMo (Supp. 2008), and a cause for discipline under § 375.141.1(2), RSMo (Supp. 2008).

#### COUNT V

39. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 6 through 38.

40. Section 375.141.1(8), RSMo (Supp. 2008), states the Director may suspend, revoke, refuse to issue or refuse to renew an insurance producer license for “[u]sing fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[.]”

41. Respondent Glass, by attempting to sell insurance from Unitrin/Kemper when she was no longer authorized by Unitrin/Kemper to bind insurance for the company, demonstrated incompetence and untrustworthiness in the conduct of business in this state. Such is a cause for discipline of Respondent Glass’ insurance producer license pursuant to § 375.141.1(8), RSMo (Supp. 2008).

#### COUNT VI

42. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 6 through 41.

43. Section 375.116.3, RSMo (Supp. 2008), states “[n]o insurance producer shall have any right to compensation other than commissions deductible from premiums on insurance policies

or contracts from any applicant for insurance or insured for or on account of the negotiation or procurement of, or other service in connection with, any contract of insurance made or negotiated in this state or for any other services on account of insurance policies or contracts, including adjustment of claims arising therefrom, unless the right to compensation is based upon a written agreement between the insurance producer and the insured specifying or clearly defining the amount or extent of the compensation. Nothing contained in this section shall affect the right of any insurance producer to recover from the insured the amount of any premium or premiums for insurance effectuated by or through the insurance producer.”

44. Section 375.141.1(2), RSMo (Supp. 2008), states that the Director may suspend, revoke, or refuse to issue or refuse to renew an insurance producer license for “violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state.”

45. Respondent Glass charged Hollinshed a \$100 one-time broker fee in addition to the insurance premium without having a written agreement specifying or clearly defining the amount or extent of the additional compensation above the insurance premiums. Such is a violation of § 375.116.3, RSMo (Supp. 2008), and is a cause for discipline of Respondent Glass’ insurance producer license pursuant to § 375.141.1(2), RSMo (Supp. 2008).

#### **FACTS RELEVANT TO COUNTS VII THROUGH X**

46. On or about October 23, 2008, Josetta Shipps (“Shipps”) contacted Respondent Glass regarding purchasing homeowners insurance for her home located at 2442 Sharidge Dr., St. Louis, Missouri 63136.

47. On October 23, 2008, Respondent Glass provided a quote for homeowners insurance to Shipps with Foremost Insurance Company (“Foremost”) with an annual premium of \$2,196.

48. Shipps did not sign a producer service agreement with either Respondent Glass or Respondent VMG.

49. On or about October 23, 2008, Vantage Credit Union paid \$2,296 on behalf of Shipps to Respondent Glass for Shipps' homeowners insurance premium of \$2,196 and a one-time broker fee of \$100.

50. On or about November 12, 2008 Respondent VMG cashed the \$2,296 check received for Shipps' homeowners insurance.

51. Respondent Glass never obtained homeowners insurance for Shipps with Foremost.

52. On or about July 22, 2009, Respondent Glass refunded the \$2,296 to Vantage Credit Union.

#### **COUNT VII**

53. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 46 through 52 .

54. Title 20 CSR 700-1.140(1)(A) states that “[e]very insurance producer shall handle every application for new coverage under a personal insurance policy and every request for amendments to an existing policy in a manner which will secure the new or amended coverage as soon as is reasonably possible, unless a longer time is permitted under a written agreement between the licensee and the insured or prospective insured. If within thirty (30) days of the original application for insurance the licensee has not yet secured an insurer willing to provide coverage, the licensee immediately shall inform the prospective insured of this fact in writing.”

55. Section 375.141.1(2), RSMo (Supp. 2008), states that the Director may suspend, revoke, or refuse to issue or refuse to renew an insurance producer license for “violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state.”

56. Respondent Glass failed to inform Shipps in writing that she was unable to secure an insurer willing to provide coverage within 30 days of the original application for insurance. Such is a violation of 20 CSR 700-1.140(1)(A) and a cause to discipline Respondent Glass' insurance producer license pursuant to § 375.141.1(2), RSMo (Supp. 2008).

### COUNT VIII

57. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 46 through 56.

58. Title 20 CSR 1-140(1)(D) states that “[i]nsurance producers shall remit all premium payments associated with a personal insurance policy to those persons entitled to them as soon as is reasonably possible after their receipt by the licensee, but in no event later than thirty (30) days after the date of receipt, provided, however, that premiums may be remitted at a later point in time if the licensee is so authorized under a written agreement between the licensee and the person legally entitled to the premiums. In no event, however, shall a licensee retain premium payments if to do so will result in the failure to obtain or continue coverage on behalf of an insured or prospective insured.”

59. Section 375.141.1(2), RSMo (Supp. 2008), states that the Director may suspend, revoke, or refuse to issue or refuse to renew an insurance producer license for “violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state.”

60. Respondent Glass failed to remit premium payments associated with Shipps homeowners insurance policy either to persons entitled to those premium payments within 30 days of receipt. Such is a violation of 20 CSR 1-1.140(1)(D) and cause to discipline Respondent Glass' insurance producer license pursuant to § 375.141.1(2), RSMo (Supp. 2008).

### COUNT IX

61. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 46 through 60.

62. Section 375.141.1(4), RSMo (Supp. 2008), states that the Director may suspend, revoke, or refuse to issue or refuse to renew an insurance producer license for “improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business.”

63. Respondent Glass, by collecting premium payment for homeowners insurance from Shipps on or about October 23, 2008, failing to obtain homeowners insurance for Shipps and failing to return the premium payment within a reasonable time, improperly withheld, misappropriated or converted money received in the course of doing insurance business. Such is cause to discipline Respondent Glass’ insurance producer license pursuant to § 375.141.1(4), RSMo (Supp. 2008).

### COUNT X

64. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 46 through 63.

65. Section 375.144, RSMo (Supp. 2008), states, in part, that “[i]t is unlawful for any person, in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly, to: (1) Employ any deception, device, scheme or artifice to defraud[.]”

66. Section 375.141.1(2), RSMo (Supp. 2008), states that the Director may suspend, revoke, or refuse to issue or refuse to renew an insurance producer license for “violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state.”

67. Respondent Glass, by collecting premium payment for insurance from Shipps and not procuring insurance, deceived Shipps into thinking that Shipps had purchased homeowners insurance for her home. Such is a violation of § 375.144(1), RSMo (Supp. 2008), and a cause for discipline under § 375.141.1(2), RSMo (Supp. 2008).

### COUNT XI

68. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 46 through 67.

69. Section 375.116.3, RSMo (Supp. 2008), states “[n]o insurance producer shall have any right to compensation other than commissions deductible from premiums on insurance policies or contracts from any applicant for insurance or insured for or on account of the negotiation or procurement of, or other service in connection with, any contract of insurance made or negotiated in this state or for any other services on account of insurance policies or contracts, including adjustment of claims arising therefrom, unless the right to compensation is based upon a written agreement between the insurance producer and the insured specifying or clearly defining the amount or extent of the compensation. Nothing contained in this section shall affect the right of any insurance producer to recover from the insured the amount of any premium or premiums for insurance effectuated by or through the insurance producer.”

70. Section 375.141.1(2), RSMo (Supp. 2008), states that the Director may suspend, revoke, or refuse to issue or refuse to renew an insurance producer license for “violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state.”

71. Respondent Glass charged Shipps a \$100 one-time broker fee in addition to the insurance premium without having a written agreement specifying or clearly defining the amount or extent of the additional compensation above the insurance premiums. Such is a violation of §

375.116.3, RSMo (Supp. 2008), and is a cause for discipline of Respondent Glass' insurance producer license pursuant to § 375.141.1(2), RSMo (Supp. 2008).

### **COUNT XII**

72. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 6 through 71.

73. Section 375.141.1(8), RSMo (Supp. 2008), states the Director may suspend, revoke, refuse to issue or refuse to renew an insurance producer license for “[u]sing fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[.]”

74. Respondent Glass used fraudulent, coercive, and dishonest practices, and demonstrated incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in this state as demonstrated by her insurance transactions with Hollinshed and Shipp. Such is a cause for discipline of Respondent Glass' insurance producer license pursuant to § 375.141.1(8), RSMo (Supp. 2008).

### **COUNT XIII**

75. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 42 through 45 and 68 through 71.

76. Section 375.141.3, RSMo (Supp. 2008), states “[t]he 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.”

77. Respondent Glass, as owner of Respondent VMG, knew or should have known that Respondent Glass violated § 375.116.3, RSMo (Supp. 2008), by not having written producer service agreements with either Hollinshed or Shipps, and neither reported the violations to the Director nor took corrective action regarding the violations. Such is a cause for discipline of Respondent VMG's business entity insurance producer license pursuant to § 375.141.3, RSMo (Supp. 2008).

#### **COUNT XIV**

78. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 35 through 38 and 64 through 67.

79. Section 375.141.3, RSMo (Supp. 2008), states “[t]he 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.”

80. Respondent Glass, as owner of Respondent VMG, knew or should have known that Respondent Glass violated § 375.144(1), RSMo (Supp. 2008), by deceiving both Hollinshed and Shipps into thinking that homeowners insurance had been purchased for their homes when it had not, and neither reported the violations to the Director nor took corrective action regarding the violations. Such is a cause for discipline of Respondent VMG's business entity insurance producer license pursuant to § 375.141.3, RSMo (Supp. 2008).

#### **COUNT XIV**

81. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 24 through 27 and 53 through 56.

82. Section 375.141.3, RSMo (Supp. 2008), states “[t]he 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.”

83. Respondent Glass, as owner of Respondent VMG, knew or should have known that Respondent Glass violated 20 CSR 700-1.140(1)(A), by not obtaining insurance as soon as was reasonably possible for either Hollinshed or Shipps and by not notifying either Hollinshed or Shipps in writing that she had been unable to obtain insurance within thirty days of the original application for insurance. Such is cause for discipline of Respondent VMG’s business entity insurance producer license pursuant to § 375.141.3, RSMo (Supp. 2008).

#### COUNT XV

84. Petitioner realleges and expressly incorporates by reference the allegations in paragraphs 28 through 31 and 57 through 60.

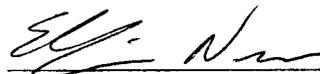
85. Section 375.141.3, RSMo (Supp. 2008), states “[t]he license of a business entity licensed as an insurance producer may be suspended, revoked, renewal refused or an application may be refused if the director finds that a violation by an individual insurance producer was known or should have been known 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.”

86. Respondent Glass, as owner of Respondent VMG, knew or should have known that Respondent Glass violated 20 CSR 1-1.140(1)(D), by failing to remit premium payments associated with either Hollinshed’s or Shipps’ homeowners insurance policies to persons entitled

to those premium payments within 30 days of receipt, and neither reported the violations to the Director nor took corrective action regarding the violations. Such is a cause for discipline of Respondent VMG's business entity insurance producer license pursuant to § 375.141.1(2), RSMo (Supp. 2008).

**WHEREFORE**, based on the foregoing, Petitioner respectfully requests the Commission make findings of fact and conclusions of law stating that Petitioner has established cause to discipline Respondent Glass' insurance producer license pursuant to §§ 375.141.1(2), 375.141.1(4), and 375.141.1(8), RSMo (Supp. 2008) and Respondent VMG's business entity insurance producer license pursuant to § 375.141.3, RSMo (Supp. 2008).

Respectfully submitted,



---

Elfin L. Noce  
Missouri Bar # 57682  
Enforcement Counsel  
Missouri Department of Insurance, Financial  
Institutions & Professional Registration  
301 West High Street, Room 530  
Jefferson City, Missouri 65101  
Telephone: (573) 751-2619  
Facsimile: (573) 526-5492

ATTORNEY FOR PETITIONER  
John M. Huff, Director  
Missouri Department of Insurance, Financial  
Institutions & Professional Registration