DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

In re:	)	
	)	
JOHN J. STONE,	)	**Case No. 140815606C**
	)	
Respondent.	)	

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, Tammy S. Kearns, and Respondent John J. Stone 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 ("Department") whose duties, pursuant to Chapters 374 and 375 RSMo,[1] include supervision, regulation, and discipline of insurance producers.

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

[1] All statutory references are to the 2013 Supplement to the Revised Statues of Missouri unless otherwise noted.

under the insurance laws of this state and has been authorized by the Director to initiate this action before the Director to enforce the insurance laws of this state.

3. The Department issued John J. Stone ("Stone") a resident insurance producer license (License No. 0100343) on February 27, 1995. Stone's license expired on February 27, 2013.

4. Insurance producers may reinstate an expired license if the producer provides proof to the Department that they have met continuing education requirements and pays a penalty of $25.00 per month that the license was expired in addition to the requisite renewal fees. Section 375.018.4.

5. In October 2013, the Department received a personal check from Stone (Check #103), payable to "MDOI," in the amount of $300.00. The Memo line of the check states "License Renewal & Late Fees." The check comprised $100.00 to renew Stone's resident insurance producer license and $200.00 in late fees.

6. On October 9, 2013, the Department, relying on Stone's check, renewed Stone's resident insurance producer license.

7. On May 6, 2014, Stone's resident insurance producer license was suspended for tax non-compliance pursuant to § 324.010 RSMo.

8. To date, Stone's resident insurance producer license remains suspended and is set to expire on February 27, 2015.

9. The Division seeks to discipline Stone's resident insurance producer license and alleges the following:

a. The Department attempted to deposit Stone's check in the amount of $300.00, but it was returned by the bank for insufficient funds.

b. As a result, Department staff sent a letter to Stone dated October 25, 2013 that stated, in part:

> On October 02, 2013 we processed your check #103 for $300.00 for a producer renewal for $100.00 and late fees of $200.00. This check was returned by the bank with a notation indicating insufficient funds. This check has been presented three times and cannot be run again. Please send [a] money order or cashier check for $325.00 to cover the returned checks.

c. Department staff also attempted to contact Stone by phone on December 31, 2013, January 23, 2014, and January 24, 2014. On each occasion, Department staff left a voice message informing Stone of the insufficient funds' check and Stone's responsibility to pay the renewal fee and late fees.

d. Stone contacted the Department on January 27, 2014 and stated that he would send a replacement money order after he got paid on February 15, 2014. Stone assured Department staff that the Department would receive his money order no later than February 20, 2014.

e. Department staff contacted Stone by phone and email on February 21, 2014 to inform Stone that the Department had not received his money order.

f. In response, Stone emailed the Department on February 21, 2014. His email stated verbatim:

> KIM I JUST SENT BECAUSE I GOT PAID YESTERDAY, YOU SHOULD HAVE IN THE FIRST OF THE WEEK PLEASE LET ME KNOW WHEN YOU HAVE RECEIVED IT.

g. Department staff left a voice message for Stone on March 3, 2014 stating that the Department never received Stone's money order.

h. In response, Stone emailed the Department on March 4, 2014. His email stated verbatim:

> Sorry it came back here is the ups tracking for the morning I made it for $425

i. Stone's March 4, 2014 email had an attachment that included tracking information for the payment that Stone allegedly sent by United Parcel Service ("UPS").

j. However, when the Department attempted to track the package using the tracking information Stone provided, UPS could not locate such a shipment.

k. UPS confirmed to the Department that no such package with the tracking number provided by Stone had been received by UPS for shipment.

l. The Division sent an inquiry letter dated March 17, 2014 to Stone that explained that the Department never received Stone's payment for his license renewal fee and late fees, requested replacement funds, and requested information regarding the status of a tax lien that was entered against Stone.

m. The Division received an email from Stone on April 7, 2014 that stated verbatim:

> Will this work for the tax plans. if so I will give you a credit card for the $425 amount do. Thank you

n. The Division responded to Stone's email on April 8, 2014 stating that the Division could not advise Stone regarding his tax plans.

o. To date, Stone has not paid the Department for his renewal fee and late fees.

10. In light of these facts, Stone's resident insurance producer license is subject to discipline pursuant to:

a. Section 375.141.1(3) because Stone obtained an insurance producer license through material misrepresentation or fraud when Stone misrepresented that the

check he supplied the Department was written on an account with sufficient funds, and his material misrepresentation caused the Department to renew his producer license based on his apparent payment of the renewal fee and applicable late fees.

11. Stone agrees that the facts contained in this Consent Order constitute grounds to discipline his insurance producer license pursuant to § 375.141.1(3).

12. Stone and the Division desire to settle the allegations raised by the Division.

13. On or about September 29, 2014, 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). Counsel for the Division further advised Stone that he had sixty (60) days to review the relevant documents and consider the proposed settlement offer in accordance with § 621.045.4(2).

14. Stone further acknowledges that he has been advised that he 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 determination that the facts agreed to by the parties to the Consent Order constitute grounds for discipline of Stone's insurance producer license.

15. Except as provided in paragraph 14 above, Stone stipulates and agrees to waive any rights that he 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 release and hold harmless the Department, the

Director, his agents, and the Division from all liability and claims arising out of, pertaining to, or relating to this matter.

16. Stone acknowledges and understands that he has the right to consult an attorney at his own expense.

17. Stone acknowledges and understands that this Consent Order is an administrative action and will be reported by the Department to other states. Stone further acknowledges and understands that this administrative action should be disclosed on future applications and renewal applications in this state and in other jurisdictions and that it is his responsibility to comply with the reporting requirements of each state in which he is licensed.

18. 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

19. 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:
>
> * * *
>
> (3) Obtaining or attempting to obtain a license through material misrepresentation or fraud[.]

20. The allegations raised by the Division, and admitted to herein by Stone, are grounds to discipline Stone's insurance producer license pursuant to § 375.141.1(3).

21. The Director is authorized to settle this matter and issue this Consent Order in the public interest pursuant to §§ 374.046, 536.060, and 621.045.

22. 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 John J. Stone's resident insurance producer license (License No. 0100343) is hereby **REVOKED**.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 30th **DAY OF** October, **2014.**

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 Respondent John J. Stone has a right to a hearing, but that John J. Stone waived the hearing and consented to the issuance of this Consent Order.

10/30/14

John J. Stone
19210 Melrose Rd.
Wildwood, Missouri 63038
Telephone: (636) 219-0621
Respondent

Date

Counsel for Respondent
Name: _____
Missouri Bar No.: _____
Address: _____
_____
Telephone: _____
Facsimile: _____

Date

10/28/14

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Date