



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

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

In the Matter of:)
) Case No. 10-0916605C
JACQUELINE MARY SCHAEFER,)
F/K/A JACQUELINE MARY MEAD,)
)
Respondent.)

ORDER

John M. Huff is the duly appointed Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration. The Director has authority over the supervision, regulation, discipline, and licensing of insurance producers.

By Consent Order dated October 19, 2010, the Director issued Jacqueline Mary Schaefer, f/k/a Jacqueline Mary Mead, an insurance producer license pursuant to his authority under § 374.046 RSMo. The Consent Order requires, *inter alia*, that Schaefer notify the Department of her intent to change agency affiliation to another business entity producer licensed to market insurance products in Missouri. The Consent Order requires express written permission of the Director for a change of agency affiliation. In accordance with the Consent Order, Schaefer timely notified the Director of her intent to change agency affiliation.

The Director finds that Schaefer has been fully compliant with the Consent Order and that the Department has not received any complaints regarding Schaefer.

This Order is in the public interest.

IT IS THEREFORE ORDERED that the Consent Order issued on October 19, 2010 is hereby dissolved. The entry of this Order removes any conditions placed on Jacqueline Mary Schaefer's insurance producer license.

IT IS FURTHER ORDERED that the issuance of this Order dissolving the October 19, 2010 Consent Order does not restrict or limit the Director's authority or discretion under Missouri's insurance laws, including but not limited to his authority or discretion to seek remedies for violations, consider future applications or renewal applications or pursue discipline of Schaefer's insurance producer license.

IT IS ALSO ORDERED that Schaefer may apply to renew her license and the Director shall consider the renewal application in accordance with Chapters 374 and 375 without regard to the underlying conduct alleged and admitted to by Schaefer in the October 19, 2010 Consent Order.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 27th DAY OF

JANUARY, 2014.

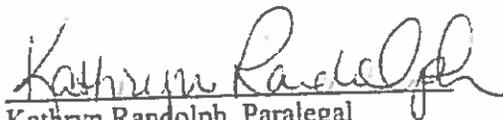


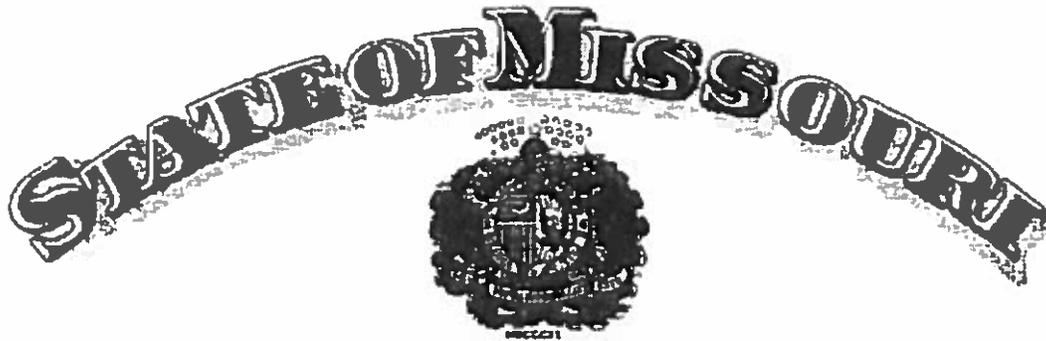
JOHN M. HUFF
Director, Missouri Department of Insurance,
Financial Institutions and Professional
Registration

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of January, 2014 a copy of the foregoing Order was served through the United States Postal Service, certified mail, postage prepaid, No. 7009 0080 0000 1907 7877, to:

Jacqueline Mary Schaefer
10964 Concord Circle Drive
St. Louis, MO 63123


Kathryn Randolph, Paralegal
Missouri Department of Insurance,
Financial Institutions and Professional
Registration
301 W. High Street, Room 530
Jefferson City, MO 65101
573-751-2619



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Respondent.)

CONSENT ORDER

John M. Huff, Director of the Department of Insurance, Financial Institutions and Professional Registration takes up the above matter for consideration and disposition. The Consumer Affairs Division, through legal counsel Tamara W. Kopp, and Jacqueline Mary Schaefer, *f/k/a* Jacqueline Mary Mead, 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") whose duties, pursuant to Chapters 374 and 375, RSMo¹, include the supervision, regulation and discipline of insurance producers and business entity producers.

¹ All statutory references are to the 2009 Supplement to the Revised Statutes of Missouri unless otherwise noted.

2. The Consumer Affairs Division ("Division") has the duty of conducting investigations into the acts of insurance producers under the insurance laws of this state and is authorized by the Director to investigate and to recommend enforcement action for violations of the insurance laws of this state.

3. The Department of Insurance, Financial Institutions and Professional Registration ("Department") issued Jacqueline Mary Schaefer, f/k/a Jacqueline Mary Mead ("Schaefer") an insurance producer license (No. 0136133) on August 23, 1983. The Department renewed such license until it expired on August 23, 2005.

4. While licensed as an insurance producer, Schaefer was also licensed to sell securities. Schaefer and her then husband worked with several broker-dealers over the years. Schaefer's name was listed on her husband's clients' monthly securities account statements, though she states she had no control over the accounts.

5. Schaefer admits that leaving her name on the accounts without having control over the accounts showed financial irresponsibility in the conduct of business.

6. In July 2003, she and her then husband retired from the securities and insurance industries.

7. Following her retirement from the securities industry, Schaefer and her then husband were sued by three former clients for allegedly making unsuitable securities recommendations. Schaefer's broker-dealer settled the lawsuit on Schaefer's behalf, but later sued and obtained a judgment against Schaefer and her then husband for arbitration fees associated with the original client suit ("Arbitration Judgment"). According to Schaefer, the Arbitration Judgment debt was assigned to Schaefer's ex-husband in their divorce decree.

8. Also following her retirement from the securities industry, Schaefer's broker-dealer paid \$3,862,000 to settle complaints filed by former clients for allegedly making unsuitable securities recommendations. Schaefer did not have the opportunity to respond to the 36 complaining clients and asserts that 34 of the complaining clients were her then husband's clients, not her own and that she was named in the complaints because her name appeared on her husband's clients' monthly securities account statements.

9. In 2007, the Financial Industry Regulatory Authority ("FINRA") notified Schaefer that her securities license had been suspended for not paying the Arbitration Judgment. Schaefer did not appeal the FINRA suspension.

10. On or about June 30, 2010, Schaefer submitted an electronic application to the Department for an insurance producer license ("Application").

11. In the section of the Application headed Background Questions, question # 2 asks: "Have you ever been named or involved as a party in an administrative proceeding regarding any professional or occupational license or registration." Schaefer answered "Yes" to Background Question # 2. Schaefer disclosed the FINRA suspension of her securities license.

12. In the section of the Application headed Background Questions, question # 4 asks: "Have you been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement?" Schaefer answered "Yes; Federal Income Taxes" to Background Question # 4. Schaefer is pursuing an "innocent spouse" tax return to satisfy her outstanding tax obligations.

13. Schaefer provided a written supplement to the Application. Further, Schaefer appeared at an investigation/subpoena conference to discuss the Application at the Department's

Jefferson City, Missouri office on August 26, 2010. At the conference, Schaefer testified under oath concerning the Application. Schaefer appeared candid and cooperative at the conference.

14. When confronted with securities paperwork completed by Schaefer when she was a securities representative that omitted suitability information from suitability forms, Schaefer admitted to purposefully omitting the information because she disagreed with her broker-dealer's alleged policy of selling personal information contained on the suitability forms.

15. Schaefer is aware of the requirements of 20 CSR 700-1.146 Recommendations of Annuities or Variable Life Insurance to Customers (Suitability) and that intentional omission of suitability information on annuity or variable life insurance applications may subject her insurance producer license to discipline pursuant to § 375.141.1(8).

16. Schaefer intends to sell health insurance as an associate of Midwest Insurance Benefits Planners, LLC (License No. 8022275), located at 8917 Veterans Memorial Parkway, O'Fallon, Missouri 63366 ("Midwest Agency").

17. Frank Guerrettaz (License No. 0280254), designated responsible producer for Midwest Agency, agrees to supervise Schaefer and ensure her compliance with Missouri's insurance laws and regulations.

18. Schaefer has the right to consult counsel at her own expense.

19. Schaefer has been advised that she may, either at the time the Consent Order is signed by all parties, or within 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 refusing Schaefer's Missouri insurance producer license.

20. Except as provided in paragraph 19, above, Schaefer stipulates and agrees to waive any rights that she 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 Consumer Affairs Division from all liability and claims arising out of, pertaining to, or relating to this matter.

21. 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

22. The actions admitted by Schaefer are grounds to refuse her Missouri insurance producer license application pursuant to § 375.141.1(8), RSMo.

23. The Director may impose orders in the public interest under § 374.046, RSMo (Supp. 2009).

24. 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 the Department will issue an insurance producer license to Jacqueline Mary Schaefer f/k/a Jacqueline Mary Mead;

IT IS ORDERED THAT Jacqueline Mary Schaefer f/k/a Jacqueline Mary Mead shall fully complete all insurance product applications and supplemental forms, including, but not limited to, all annuity applications and suitability forms for each Missouri resident applicant;

IT IS ORDERED THAT Jacqueline Mary Schaefer f/k/a Jacqueline Mary Mead shall submit all insurance product applications and supplemental forms completed by Schaefer to the designated responsible producer for review before such documents are sent to the appropriate insurer for approval;

IT IS ORDERED THAT Jacqueline Mary Schaefer f/k/a Jacqueline Mary Mead shall attend all agency training meetings regarding marketing and compliance policies and procedures of Midwest Agency;

IT IS ORDERED THAT Jacqueline Mary Schaefer f/k/a Jacqueline Mary Mead shall report in writing all consumer complaints, both written and oral, to the designated responsible producer of Midwest Agency for review and response within three business days of receiving the consumer complaint;

IT IS ORDERED THAT Jacqueline Mary Schaefer f/k/a Jacqueline Mary Mead shall report to the Department of Insurance, Financial Institutions and Professional Registration any administrative action taken against Schaefer in another jurisdiction or by another governmental agency in this state within three business days after she receives notification of the initiation of such administrative action;

IT IS ORDERED THAT Jacqueline Mary Schaefer f/k/a Jacqueline Mary Mead shall, at least 30 days prior to any such change, report to the Department of Insurance, Financial Institutions and Professional Registration of her intent to change her agency affiliation from Midwest Agency to any other business entity producer licensed to market insurance products in Missouri. Schaefer shall not change her agency affiliation from Midwest Agency to any other business entity producer licensed to market insurance products in Missouri without the express written permission of the Director;

IT IS ORDERED THAT Frank Guerrettaz, as the designated responsible producer supervising Schaefer's compliance with the Missouri insurance laws and the terms of this Consent Order, shall notify the Department within 3 business days of any change to his status as the designated responsible producer;

IT IS ORDERED THAT if Schaefer maintains her insurance producer license beyond the initial term and complies with the terms of this Consent Order, Schaefer may apply to renew her license and the Department shall consider her renewal application without regard to Schaefer's conduct addressed and remedied in this Consent Order;

IT IS ORDERED THAT if the Director receives information that Schaefer has failed to comply with any of the foregoing terms, the Director shall, upon at least 30 days' notice to Schaefer, hold a hearing, at which both the Division of Consumer Affairs, through counsel, and Schaefer, on her own behalf or through counsel, may present evidence on the issue of whether Schaefer failed to comply with one or more of the terms of this Consent Order. The undersigned agree that after the hearing, upon making a finding that Schaefer in fact did fail to satisfy any of the conditions of this Consent Order, the Director may immediately REVOKE Schaefer's insurance producer license without any need for additional findings of fact and conclusions of law to be made by the Administrative Hearing Commission or by any other tribunal.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 19
DAY OF OCTOBER, 2010.

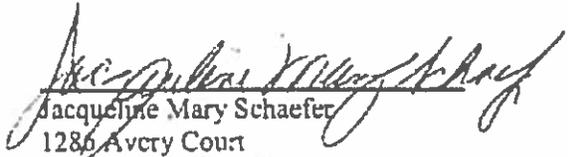


A handwritten signature in black ink, appearing to read 'John M. Huff', written over a horizontal line.

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 Jacqueline Mary Schaefer *l/k/a* Jacqueline Mary Mead has the right to a hearing, but that Jacqueline Mary Schaefer *l/k/a* Jacqueline Mary Mead has waived the hearing and consented to the issuance of this Consent Order.



Jacqueline Mary Schaefer
1286 Avery Court
Kirkwood, Missouri 63122
Respondent:

10-6-2010
Date

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

~~_____
Date~~



Frank Guerrero, CIC, LUTCF
Designated Responsible Producer
Midwest Insurance Benefits Planners, LLC
8917 Veterans Memorial Parkway
O'Fallon, Missouri 63366
Telephone: (636) 978-6620, ext. 126

10-6-2010
Date



Tamara W. Kopp
Counsel for Consumer Affairs Division
Missouri Bar No. 59020
Department of Insurance, Financial
Institutions and Professional Registration
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Jellerson City, Missouri 65101
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10-7-10
Date