FINAL ORDER
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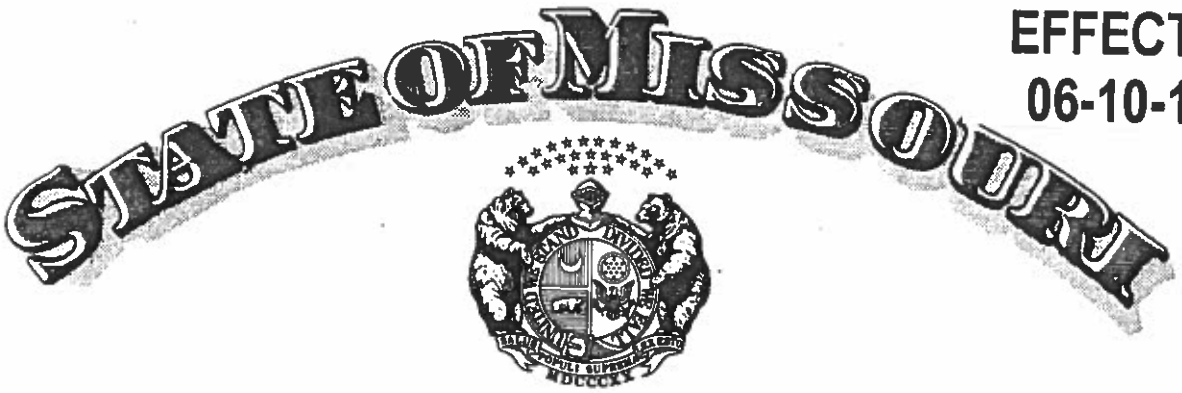

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

In re:	)	
	)	
MARK L. DRIVER,	)	**Case No. 150409243C**
	)	
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 Division of Consumer Affairs, through legal counsel John M. A. Conrace, and Respondent Mark L. Driver, have reached a settlement in this matter and Respondent has 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.

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

2. The Consumer Affairs Division ("Division") of the Department has the duty, charged by the insurance laws of this state, to investigate unfair or unlawful acts committed by insurance producers or companies and has been authorized by the Director to initiate this action in order to enforce the insurance laws of this state.

3. The Department issued Respondent Mark L. Driver ("Driver") an insurance producer license (No. 0219223) on March 1, 1988, which was continuously renewed until it expired on March 1, 2012.

4. Together with another insurance producer, Robert M. Palmer ("Palmer"), Driver owned and operated Princeton Partnership, LLC ("Princeton"), an insurance brokerage business involved in the sale of insurance and investment products.

5. From approximately 2004 to 2010, Palmer and Driver operated a Ponzi scheme through Princeton, soliciting investors and misappropriating funds provided by new clients to repay old clients, pay their own personal expenses, and pay the expenses of Princeton.

6. On August 21, 2013, a grand jury indicted Driver on two (2) counts of Mail Fraud, a Class C Felony, in violation of 18 U.S.C. § 1341 (2008), and two (2) counts of Wire Fraud, a Class C Felony, in violation of 18 U.S.C. § 1343 (2008). *United States v. Mark L. Driver*, Case No. 4:13-CR-00338-RWS-002 (E.D. Mo. 2013).

7. On June 5, 2014, Driver and the United States Attorney filed a Guilty Plea Agreement, in which he pled guilty to all four (4) counts of the indictment. The court adopted and approved the Guilty Plea Agreement. *Id.*

8. On June 5, 2014, Driver appeared before the United States District Court, Eastern District of Missouri, and pled guilty to each of the four (4) counts of the indictment. *Id.*

9. On October 14, 2014, the court sentenced Driver to thirty (30) months' incarceration in federal prison and ordered Driver to pay restitution in the amount of $2,981,710.56 jointly and severally with Palmer. *Id.*

10. The Guilty Plea Agreement, as signed by Driver, states verbatim in part "that the facts in this case are as follows and that the government would prove these facts beyond a reasonable doubt if the case were to go to trial":

a. "Princeton Partnership, LLC ... was an insurance brokerage business purportedly involved in the sale of life insurance products ...."

b. "Defendant **ROBERT PALMER** ... and defendant **MARK DRIVER** ... were the owners and operators of Princeton. **PALMER** and **DRIVER** ran the day to day operations of Princeton, solicited customers, marketed the company's services, and had financial oversight of the company with authorization over the company's two operating bank accounts located at Private Bank and Bank of America."

c. "Beginning during in or about 2004, and continuing through in or about 2010, defendants, **PALMER** and **DRIVER** acting together and aiding and abetting one another, devised, intended to devise, and knowingly participated in a scheme to defraud and obtain money from several Princeton clients by means of materially false and fraudulent pretenses, representations, and promises."

d. "As part of their scheme, both defendants **PALMER** and **DRIVER** solicited one and more clients for Princeton with the false promises and false

representations that Princeton would invest the clients' funds in suitable investments including but not limited to real estate, stocks, and life insurance annuities ...."

e. "During the period of defendant **PALMER's** and **DRIVER's** scheme, Princeton Partnership clients relied upon and believed defendants' false representations and false promises, and the clients transferred their money and stock holdings to defendants and Princeton Partnership for the promised investments. Instead of placing the clients' funds in the promised investments for the benefit of the clients, defendants **PALMER** and **DRIVER** used some or all of those funds for their own personal expenses and the general operating expenses of Princeton Partnership. In furtherance of their scheme, and in order to conceal their scheme, defendants **PALMER** and **DRIVER** also engaged in a series of *Ponzi* type transactions whereby they used funds provided to Princeton Partnership by new clients to repay old clients without knowledge of the new Princeton clients and with the false belief and understanding of the old clients that the funds paid to them were the return on their purported investments."

f. "As a result of their scheme, defendants **PALMER** and **DRIVER** obtained funds and moneys from Princeton Partnership clients based upon their false representations and false promises, and defendants used some or all of those funds for their own personal expenses and for the expenses of their company Princeton Partnership."

Id (emphasis in original).

11. In light of these facts, Driver's insurance producer license is subject to discipline pursuant to:

a. Section 375.141.1(6) because Driver has been convicted of four (4) federal felonies: two (2) counts of Mail Fraud, both Class C Felonies, in violation of 18 U.S.C. § 1341 and two (2) counts of Wire Fraud, both Class C Felonies, in violation of 18 U.S.C. § 1343. *Id.*

b. Section 375.141.1(4) because Driver improperly misappropriated or converted moneys or properties received in the course of doing insurance business when, instead of using clients' money and stock holdings for investments, Driver used the money for personal expenses, the expenses of Princeton, and to repay old clients.

c. Section 375.141.1(8) because Driver used fraudulent or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in Missouri or elsewhere when he engaged in a series of Ponzi type transactions, obtaining funds from new clients for Princeton based upon false representations and false promises, then using that money to repay old clients, for his own personal expenses, and for the expenses of Princeton, rather than for the promised investments.

12. Driver agrees that the facts contained in this Consent Order constitute grounds to discipline his resident insurance producer license pursuant to § 375.141.1(4), (6), and (8).

13. Driver and the Division desire to settle the allegations raised by the Division.

14. On or about November 9, 2015, counsel for the Division, in accordance with § 621.045.4(1), provided a written description of the specific conduct for which discipline is sought; citations to the laws and rules allegedly violated; copies of documents supporting its allegations; and the Division's settlement offer, namely, this Consent Order. Counsel for the

Division, in accordance with § 621.045.4(2), further advised Driver that he had sixty (60) days to review the relevant documents and consider the proposed settlement offer.

15. Driver acknowledges that he has been advised that he may, either at the time this Consent Order is signed by all parties or within fifteen (15) days thereafter, submit this Consent Order to the Administrative Hearing Commission for determination of whether the facts stated herein constitute grounds for the discipline of Driver's insurance producer license.

16. Except as provided in paragraph 15 above, Driver 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 Consumer Affairs Division from all liability and claims arising out of, pertaining to, or relating to this matter.

17. Driver acknowledges that he understands he has the right to consult an attorney at his own expense.

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

19. 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

20. 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:
>
> * * *
>
> (4) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;
>
> * * *
>
> (6) Having been convicted of a felony or crime involving moral turpitude; [or]
>
> * * *
>
> (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[.]
>
> * * *
>
> 4. The director may also revoke or suspend pursuant to subsection 1 of this section any license issued by the director where the licensee has failed to renew or has surrendered such license.

21. The allegations raised by the Consumer Affairs Division, and admitted to herein by Driver, are grounds to discipline Driver's insurance producer license pursuant to § 375.141.1 (4), (6), (8).

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

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 Mark L. Driver's insurance producer license (No. 0219223) is hereby **REVOKED**.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 11th DAY OF May, 20 16.

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 Mark L. Driver has a right to a hearing, but that Respondent waived the hearing and consented to the issuance of this Consent Order.

_____ 4/28/16
Mark L. Driver, BOP #40823-044 Date
USP Leavenworth
1300 Metropolitan
Leavenworth, KS 66048

_____ _____
Counsel for Respondent Date
Name: _____
Missouri Bar No.: _____
Address: _____
_____
_____
Phone: _____
Fax: _____

_____ 5/10/16
John M. A. Conrace Date
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