



## State of Missouri

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

IN RE:

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)  
RANDY LEE KRANAWETTER, )  
)  
Renewal Applicant. )

Case No. 140918664C

#### **ORDER REFUSING TO RENEW MOTOR VEHICLE EXTENDED SERVICE CONTRACT PRODUCER LICENSE**

On October 27, 2014, the Consumer Affairs Division submitted a Petition to the Director alleging cause for refusing to renew a motor vehicle extended service contract producer license to Randy Lee Kranawetter. After reviewing the Petition, the Investigative Report, and the entirety of the file, the Director issues the following findings of fact, conclusion of law, and order:

#### **FINDINGS OF FACT**

1. Randy Lee Kranawetter ("Kranawetter") is a Missouri resident with a residential address of 5918 Golden Pond, Villa Ridge, MO 60389.
2. The Department of Insurance, Financial Institutions and Professional Registration ("Department") issued a Motor Vehicle Extended Service Contract ("MVESC") Producer License, License No. 0385790, to Kranawetter on January 1, 2012. Said license expired January 1, 2014.
3. The Department received Kranawetter's completed Application for Motor Vehicle Extended Service Contract Producer License Renewal ("Renewal Application") on January 2, 2014.
4. The "Applicant's Certification and Attestation" section of the Renewal Application, states, in relevant part:
  1. I hereby certify, under penalty of perjury, that all of the information submitted in this application and attachments is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties.
5. Kranawetter signed the Renewal Application in the "Applicant's Certification and

Attestation” section under oath and before a notary.

6. Background Question No. 1 of the Renewal Application asks the following:

Have you ever been convicted of a crime, had a judgment withheld or deferred, received a suspended imposition of sentence (“SIS”) or suspended execution of sentence (“SES”), or are you currently charged with committing a crime, which has not been previously reported to this insurance department?

“Crime” includes a misdemeanor, felony, or a military offense. You may exclude any of the following if they are/were misdemeanor traffic citations or misdemeanors: driving under the influence (DUI), driving while intoxicated (DWI), driving without a license, reckless driving, or driving with a suspended or revoked license. You may also exclude misdemeanor juvenile convictions.

“Convicted” includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, having entered an Alford Plea, or having been given probation, a suspended sentence, or a fine.

“Had a judgment withheld or deferred” includes circumstances in which a guilty plea was entered and/or a finding of guilt was made, but imposition or execution of the sentence was suspended (for instance, the defendant was given a suspended imposition of sentence or a suspended execution of sentence—sometimes called an “SIS” or “SES”).

If you answer yes, you must attach to this application:

- a) a written statement explaining the circumstances of each incident,
- b) a certified copy of the charging document, and
- c) a certified copy of the official document which demonstrates the resolution of the charges or any final judgment[.]

7. Kranawetter marked “No” to Question No. 1 on his Renewal Application.

8. Contrary to Kranawetter’s “No” answer to Background Question No. 1, the Consumer Affairs Division’s (“Division”) investigation of Kranawetter’s Application revealed four convictions (one felony and three misdemeanors):

- a. On or about November 19, 2013 Kranawetter pled guilty to DWI-Alcohol-Persistent Offender, a Class D Felony, in violation of § 577.010 RSMo and three counts of Assault-L/E, C/O, E/P, Highway Worker in Construction/Work Zone, Utility Worker Or P&P - By Means of Physical Injury-3<sup>rd</sup> Degree, all Class A Misdemeanors, all in violation of § 565.083 RSMo. The court sentenced Kranawetter to four years’ incarceration for his felony conviction, but suspended the execution of sentence and placed him on five years’ supervised probation. The court

sentenced Kranawetter to twenty days in the county jail, with work release, for the misdemeanor convictions. *State v. Randy Lee Kranawetter*, St. Charles Co. Cir. Ct., Case No. 1311-CR02121-01.

9. Kranawetter failed to report his felony conviction to the Director within thirty days of the initial pretrial hearing date or arraignment. In fact, Kranawetter never reported his felony conviction to the Director.
10. Background Question No. 7 of the Renewal Application asks the following:

Do you currently have or have you had a child support obligation, which has not been previously reported to this insurance department?

If you answer yes:

- (a) are you in arrearage?
  - (b) by how many months are you in arrearage? \_\_\_\_\_ months
  - (c) what is the total amount of your arrearage? \_\_\_\_\_
  - (d) are you currently subject to a repayment agreement to cure the arrearage? (If you answer yes, provide documentation showing an approved repayment plan from the appropriate state child support agency.)
  - (e) are you in compliance with said repayment agreement? (If you answer yes, provide documentation showing proof of current payments from the appropriate state child support agency.)
  - (f) are you the subject of a child support related subpoena/warrant? (If you answer yes, provided documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)
  - (g) have you ever been convicted of a misdemeanor or felony for failure to pay child support?
11. In response to Background Question No. 7, Kranawetter answered that he does have a child support obligation, he is four months in arrearage which totals \$2,000.00, and that his is currently subject to a repayment agreement to cure the arrearage, but he is not in compliance with the repayment agreement.
  12. The Division's investigation confirmed that on February 26, 2014, the St. Charles County Circuit Court entered a judgment against Kranawetter for \$408.00 per month for child support, upon the filing of the administrative order for child support before the Missouri Department of Social Services, Division of Child Support Enforcement. *State ex rel. Mary Correll v. Randy Lee Kranawetter*, St. Charles Co. Cir. Ct. No. 1411-MC01081 (Administrative Case No. 61472544).
  13. The Division also confirmed that Kranawetter is not in compliance with a repayment agreement or the administrative or court order imposing the child support obligation and, as of October 8, 2014, Kranawetter's child support arrearage totaled \$5,568.00.

14. On January 9, 2014, Special Investigator Andrew Engler (“Engler”), with the Division, mailed an inquiry letter to Kranawetter. The inquiry letter requested documentation and additional information surrounding Kranawetter’s felony and misdemeanor convictions that he failed to disclose on his application. In addition, Engler requested the status of Kranawetter’s child support arrearage, evidence of a repayment arrangement, and payment history of Kranawetter’s child support.
15. On January 22, 2014, Kranawetter called Engler and stated that he did not know that the felony and misdemeanors were convictions. Kranawetter also stated that he was in a drug/alcohol program and that he believed the DWI would continue to be classified as a SIS. Engler instructed Kranawetter to provide the documents that he had requested in his inquiry letter.
16. Kranawetter failed to mail to the Division an adequate response to the Division’s inquiry, failed to provide the requested documentation regarding his criminal convictions, and failed to demonstrate a reasonable justification for the delay.
17. Kranawetter further failed to respond in any way to Engler’s request regarding Kranawetter’s child support arrearage and failed to provide the requested documentation regarding the child support arrearage. Further, Kranawetter failed to demonstrate a reasonable justification for the delay.
18. Kranawetter’s statement that he did not know the felony and misdemeanors were convictions is not credible in light of the fact that Kranawetter pled guilty by allocution, and appeared before the St. Charles County Circuit Court for sentencing just two months before he submitted his Renewal Application. The court sentenced Kranawetter to four years’ incarceration on the DWI felony, but placed him on probation for five years. Furthermore, the court sentenced Kranawetter to 20 days in jail (with work release) for the three misdemeanors.
19. It is inferable that Kranawetter falsely answered the criminal background question in order to misrepresent to the Director his criminal history and thereby to improve his chances that the Director would renew his MVEESC producer license.

#### CONCLUSION OF LAW

20. Section 385.209 RSMo (Supp. 2013)<sup>1</sup> provides, in part:
  1. The director may suspend, revoke, refuse to issue, or refuse to renew a registration or license under sections 385.200 to 385.220 for any of the following causes, if the applicant or licensee or the applicant's or licensee's subsidiaries or affiliated entities acting on behalf of the applicant or licensee

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<sup>1</sup> All statutory references are to the 2013 Supplement to the Revised Statutes of Missouri unless otherwise noted.

in connection with the applicant's or licensee's motor vehicle extended service contract program has:

\* \* \*

- (2) Violated any provision in sections 385.200 to 385.220, or violated any rule, subpoena, or order of the director;
- (3) Obtained or attempted to obtain a license through material misrepresentation or fraud;

\* \* \*

- (5) Been convicted of any felony;

\* \* \*

- (12) Failed to comply with an administrative or court order imposing a child support obligation;

\* \* \*

- 7. Within thirty days of the initial pretrial hearing date or arraignment, a producer shall report to the director any felony proceeding initiated by any state or the United States for any violation of law by the producer. The report shall include a copy of the indictment or information file, the order resulting from the hearing and any other relevant legal documents.

- 21. Title 20 CSR 100-4.100(2)(A) Required Response to Inquiries by the Consumer Affairs Division, provides:

Upon receipt of any inquiry from the division, every person shall mail to the division an adequate response to the inquiry within twenty (20) days from the date the division mails the inquiry. An envelope's postmark shall determine the date of mailing. When the requested response is not produced by the person within twenty (20) days, this nonproduction shall be deemed a violation of this rule, unless the person can demonstrate that there is reasonable justification for that delay.

- 22. Just as the principal purpose of § 375.141, the insurance producer disciplinary statute, is not to punish licensees or applicants, but to protect the public, *Ballew v. Ainsworth*, 670 S.W.2d 94, 100 (Mo. App. E.D. 1984), the purpose of § 385.209 is not to punish applicants for a Motor Vehicle Extended Service Contract Producer License, but to protect the public.

23. The Director may refuse to renew Kranawetter's MVESC producer license pursuant to § 385.209.1(2) because Kranawetter failed to adequately respond to an inquiry letter from the Division and failed to provide a reasonable justification for the delay, thereby violating 20 CSR 100-4.100(2)(A), a Department regulation.
24. The Director may refuse to renew Kranawetter's MVESC producer license pursuant to § 385.209.1(2) because he violated a provision of § 385.220 to 385.220, specifically § 385.209.7, when he failed to report his felony proceeding within thirty days of the initial pretrial hearing date or arraignment.
25. The Director may refuse to renew Kranawetter's MVESC producer license pursuant to § 385.209.1(3) because he attempted to obtain a license through material misrepresentation or fraud when he failed to disclose the following convictions on his Renewal Application:
  - a. Class D Felony of DWI-Alcohol-Persistent Offender; and
  - b. Three (3) Third Degree Class A Misdemeanors of Assault – L/E, C/O, E/P, Highway Worker in Construction/Work Zone, Utility Worker Or P&P – By Means of Physical Injury.

*State of Missouri v. Randy Lee Kranawetter*, St. Charles Co. Cir. Ct., Case No. 1311-CR02121-01.

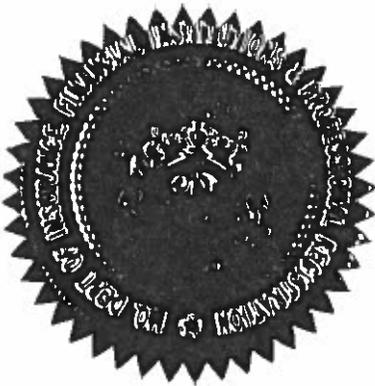
26. The Director may refuse to renew Kranawetter's MVESC producer license pursuant to § 385.209.1(5) because he has been convicted of a felony:
  - a. Class D Felony of DWI-Alcohol-Persistent Offender, *State of Missouri v. Randy Lee Kranawetter*, St. Charles Co. Cir. Ct., Case No. 1311-CR02121-01.
27. The Director may refuse to renew Kranawetter's MVESC producer license pursuant to § 385.209.1(12) because he failed to comply with an administrative or court order imposing a child support obligation. *State ex rel. Missouri Div. of Child Support Enforcement v. Randy Lee Kranawetter*, St. Charles Co. Cir. Ct. No. 1411-MC01081 (Administrative Case No. 61472544).
28. The Director has considered Kranawetter's history and all of the circumstances surrounding his Renewal Application. Renewing Kranawetter's MVESC producer license would not be in the interest of the public. Accordingly, the Director exercises his discretion and refuses to renew Scott's MVESC producer license.
29. This Order is in the public interest.

**ORDER**

**IT IS THEREFORE ORDERED** that the motor vehicle extended service producer license renewal application of Randy Lee Kranawetter is hereby **REFUSED**.

**SO ORDERED.**

WITNESS MY HAND THIS 28 DAY OF October, 2014.



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

**JOHN M. HUFF  
DIRECTOR**

**NOTICE**

**TO: Applicant and any unnamed persons aggrieved by this Order:**

You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission of Missouri, P.O. Box 1557, Jefferson City, Missouri, within 30 days after the mailing of this notice pursuant to Section 621.120, RSMo. Pursuant to 1 CSR 15-3.290, unless you send your complaint by registered or certified mail, it will not be considered filed until the Administrative Hearing Commission receives it.

**CERTIFICATE OF SERVICE**

I hereby certify that on this 28th day of October, 2014 a copy of the foregoing Order and Notice was served upon the Renewal Applicant by UPS, signature required, at the following address:

Randy Lee Kranawetter  
5918 Golden Pond  
Villa Ridge, MO 60389

Tracking No. 1Z0R15W84297123333



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