DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

In RE:	)	
	)	
Gregory M. Schroeder,	)	**Case No. 110531531C**
	)	
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, Tamara W. Kopp, and Respondent Gregory M. Schroeder 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 and business entity 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 2010 Supplement to the Revised Statutes of Missouri unless otherwise noted.

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

3. On or about March 12, 1991, Schroeder was charged with misdemeanor possession of up to 35 grams of marijuana in violation of § 195.202, RSMo (1990). Schroeder pleaded guilty on June 5, 1991 and was granted a suspended imposition of sentence and unsupervised probation which he successfully completed in 1993. *See State v. Gregory M. Schroeder*, St. Louis County Circuit Court, Case No. 2191R-02116.

4. On or about March 11, 2005, Schroeder applied for an insurance producer license by submitting a Uniform Application for Individual Insurance Producer License ("2005 Application").

5. On the 2005 Application, Background Question # 1 inquires:

> Have you ever been convicted of, or are you currently charged with, committing a crime, whether or not adjudication was withheld.
> "Crime" includes a misdemeanor ... "Convicted" includes, but is not limited to ... having entered a plea of guilty or nolo contender, or having been given probation, a suspended sentence or a fine.

6. Schroeder answered "No" to Background Question # 1, and Schroeder failed to disclose the 1991 marijuana possession guilty plea on the 2005 Application.

7. In reliance on Schroeder's 2005 Application, the Department licensed Schroeder as an insurance producer on March 14, 2005, and subsequently renewed Schroeder's license when he applied for renewal in 2007 and 2009.

8. On or about February 5, 2010, the state of Missouri filed charges against Schroeder stemming from an incident on October 2, 2009, during which Schroeder was arrested for possession of cocaine and drug paraphernalia. *State v. Gregory M. Schroeder*, St. Charles County Circuit Court Case No. 1011-CR00782. The state charged Schroeder with one count of

possession of a controlled substance – a Class C felony – in violation of § 195.202, RSMo (2000).

9. On or about September 1, 2010, Schroeder signed a contract whereby he agreed to participate in drug court. Schroeder is scheduled to complete the drug court program in September 2011.

10. Schroeder's insurance producer license expired on March 15, 2011.

11. On March 21, 2011, Schroeder submitted to the Department a Uniform Application for Individual Producer License/Renewal/Continuation ("2011 Application") to late renew his insurance producer license.

12. On the 2011 Application, Background Question #1 inquires:

> Have you been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime, which has not been previously reported to this state?
>
> "Crime" includes a misdemeanor, felony or a military offense. You may exclude misdemeanor traffic citations or convictions involving driving under the influence (DUI) or driving while intoxicated (DWI), driving without a license, reckless driving, or driving with a suspended or revoked license and juvenile offenses. "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, or having been given probation, a suspended sentence or a fine.

13. Schroeder answered "Yes" to Background Question #1 on the 2011 Application and further stated:

> In regard to my arrest on October 2,2009 [sic]. I was arrested and charged with possession of a controlled substance which was listed as a class C felony. I had never been in any kind of trouble before and was given the opportunity to complete the St [sic] Charles County Drug court program which will erase all charges upon completion. I started the program on September 1,2011 [sic] and am in the third of three states now. I am scheduled to complete the program in September of 2011. I am subject to random drug and alcohol testing and attend AA meetings on a regular basis. Please feel free to contact me if additional information is needed.

14. Schroeder did not disclose the 1991 marijuana possession guilty plea on the 2011 Application.

15. Schroeder acknowledges and understands that under § 375.141.1(1) the Director may refuse to renew Schroeder's insurance producer license because Schroeder intentionally provided materially incorrect, misleading, incomplete, or untrue information in the license application by failing to disclose the 1991 marijuana possession guilty plea on the 2005 Application and 2011 Application, and because by stating "I had never been in any kind of trouble before," Schroeder misled the Director with regard to his 2011 Application.

16. Schroeder acknowledges and understands that under § 375.141.1(2) the Director may refuse to renew Schroeder's insurance producer license because Schroeder violated an insurance law, namely § 375.141.7, by failing to report within thirty days of the initial pretrial hearing date a criminal prosecution for a felony or crime involving moral turpitude. *See State v. Gregory M. Schroeder*, Circuit Court of St. Charles County, Case No. 1011-CR00782.

17. Schroeder acknowledges and understands that under § 375.141.1(3) the Director may refuse to renew Schroeder's insurance producer license because Schroeder obtained and attempted to obtain a license through material misrepresentation or fraud by stating, "I had never been in any kind of trouble before," on the 2011 Application and failing to disclose the 1991 marijuana possession guilty plea on the 2005 Application and 2011 Application.

18. Schroeder acknowledges and understands that he has the right to consult counsel at his own expense.

19. This Consent Order is entered pursuant to § 374.046. As such, any interested person aggrieved by this Order may request a hearing before the Director or review of this Order in a circuit court under § 374.055. Although under the Department's interpretation of the

relevant statutes, review of this Order by the Administrative Hearing Commission is not available, Schroeder nevertheless may have the right, under § 621.045, to submit this Consent Order to the Administrative Hearing Commission for a determination that the facts agreed to in this Consent Order constitute grounds to refuse Schroeder's license.

20. Except as provided in paragraph 19, above, Schroeder 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 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 Schroeder are grounds to refuse Schroeder's Missouri insurance producer license pursuant to §§ 375.141.1(1), (2) and (3).

23. The Director may impose orders in the public interest under § 374.046.

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 Insurance, Financial Institutions and Professional Registration will issue the insurance producer license of Gregory M. Schroeder, subject to the conditions set forth herein.

IT IS ORDERED that Gregory M. Schroeder shall report to the Department of Insurance, Financial Institutions and Professional Registration any violation of or failure to comply with the laws set forth in Chapters 374 and 375, RSMo, and the regulations promulgated thereunder, within three business days of such violation or failure to comply.

IT IS ORDERED that Gregory M. Schroeder shall maintain full compliance with all court orders and other requirements of the drug court program of the St. Charles County Circuit Court, Missouri, relating to *State v. Gregory M. Schroeder*, St. Charles County Circuit Court, Case No. 1011-CR00782. Gregory M. Schroeder shall sign and submit a Statement of Compliance to the Director within 30 days of his completion of the drug court program. Should Schroeder fail to successfully complete the drug court program, Schroeder shall notify the Director within 30 days of his dismissal from the drug court program and notify the Department of the consequences of such failure or dismissal.

IT IS ORDERED that Gregory M. Schroeder shall execute any necessary documents to provide the Department of Insurance, Financial Institutions and Professional Registration access to Gregory M. Schroeder's Probation and Parole records and Drug court records, including access to any chemical test results.

IT IS ORDERED that Gregory M. Schroeder shall report to the Department of Insurance, Financial Institutions and Professional Registration any probation violation, probation revocation, arrest, citation, guilty plea, nolo contendere plea, finding of guilt or conviction

concerning a felony, misdemeanor or crime of moral turpitude, within five business days of such arrest, citation, plea or finding.

IT IS ORDERED that for five years subsequent to the date of this executed Consent Order, Gregory M. Schroeder will voluntarily surrender his license to the Department within 30 days of Schroeder's entry of a guilty plea, nolo contendere plea, finding of guilt or conviction for a felony or crime of moral turpitude, including drug or alcohol offenses.

IT IS FURTHER ORDERED that if Gregory M. Schroeder violates or otherwise fails to comply with the terms and conditions of this Consent Order, the Director may pursue additional legal remedies, as necessary and without limitation, as authorized by Chapters 374 and 375, RSMo.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 13th DAY OF SEPTEMBER, 2011.

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 Gregory M. Schroeder has a right to a hearing, but that Gregory M. Schroeder waived the hearing and consented to the issuance of this Consent Order.

Gregory M. Schroeder — 9/2/11

Gregory M. Schroeder
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St. Peters, Missouri 63376

Date

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Date

Tamara W Kopp — 9-6-11

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