



State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

IN RE:

RICHARD NETWAL,

Applicant.

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Case No. 120802480C

ORDER REFUSING TO ISSUE INSURANCE PRODUCER LICENSE

On October 2, 2012, the Consumer Affairs Division, through counsel, submitted a Petition to the Director alleging cause for refusing to issue an insurance producer license to Richard Netwal. After reviewing the Petition, the Investigative Report, and the entirety of the file, the Director issues the following findings of fact, conclusions of law, and order:

FINDINGS OF FACT

1. Richard Netwal, ("Netwal") is a Missouri resident with a residential address of 3503 NW 95th Street, Kansas City, Missouri 64154.
2. The Department of Insurance, Financial Institutions and Professional Registration ("Department") received Netwal's Application for a resident insurance producer license ("Application") on February 10, 2012.
3. The "Attestation" section of the 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.
4. Netwal accepted the "Attestation" section.
5. Background Question No. 4 of the Application asks the following:

Have you ever been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement?

6. Netwal answered "Yes; Missouri" in response to Background Question No. 4.
7. Netwal also submitted an attachment to further explain his response to Background Question No. 4. In his attachment, Netwal disclosed that he had been informed by the Missouri Supreme Court that the Missouri Department of Revenue had notified it of Netwal's tax deficiency for 2005 and 2006.
8. During its investigation, the Consumer Affairs Division ("Division") discovered the following delinquent tax obligation:
 - a. On or about June 7, 2010, the Clay County Circuit Court entered a judgment against Netwal for unpaid taxes for the 2005 and 2006 filing years as follows:

[Department of Revenue], under Section 143.902, RSMo, hereby certifies that the following assessment of tax, interest, additions to tax, penalties, and fees have been made and become final [in the amount of \$22,610.46]. Interest continues to accrue as provided by law until the full amount of the tax liability is paid.

Missouri Department of Revenue v. Richard L. Netwal, Clay Co. Cir. Ct., Case No. 10CY-TJ03283.
9. After reviewing Netwal's Application and the judgment entered on or about June 7, 2010, an Investigator for the Division sent a letter to Netwal dated February 29, 2012. Said letter requested additional documentation and information about the delinquent tax obligation. The letter further requested a response by March 21, 2012, and warned Netwal that a failure to respond could result in refusal of his insurance producer license.
10. The United States Postal Service did not return the February 29, 2012 letter to the Division, and therefore it is presumed delivered.
11. Netwal failed to provide a written response to the Division's February 29, 2012 letter by March 21, 2012, and failed to demonstrate a reasonable justification for the delay.
12. After receiving some of the requested documentation from Netwal via email on May 9, 2012, the Investigator sent a follow-up email on May 10, 2012 that requested additional documentation.
13. After receiving no response from Netwal, the Investigator sent a letter to Netwal dated June 4, 2012 that, once again, requested information and documentation

regarding Netwal's delinquent tax obligation. Said letter also stated that without further evidence from Netwal that he was trying to comply with the Division's requests for information, his license would be refused. The letter further requested a response by June 25, 2012.

14. The Division's June 4, 2012 letter was sent to Netwal via first class mail and certified mail. The certified mail return receipt was signed for by Netwal on June 11, 2012. In addition, the first class mail was not returned to the Division, and therefore presumed delivered.
15. Netwal failed to provide a written response to the Division's June 4, 2012 letter by June 25, 2012, and failed to demonstrate a reasonable justification for the delay. To date, Netwal still has not responded to the Division's June 4, 2012 letter.

CONCLUSIONS OF LAW

16. Section 375.141 RSMo (Supp. 2011)¹ provides, in 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:

* * *

 - (2) Violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state;

* * *

 - (14) Failing to comply with any administrative or court order directing payment of state or federal income tax.
17. 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.

¹ All statutory references are to RSMo (2000) as updated by RSMo (Supp. 2011) unless otherwise noted.

18. The principal purpose of § 375.141 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).
19. Netwal may be refused an insurance producer license pursuant to § 375.141.1(2) because he failed to adequately respond to two inquiries 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.
20. Each failure to provide an adequate response to the Division or failure to provide a reasonable justification for the delay is a separate and sufficient cause for refusal pursuant to § 375.141.1(2).
21. Netwal may be refused an insurance producer license pursuant to § 375.141.1(14) because he failed to comply with an administrative or court order directing payment of state income taxes, to wit:
 - a. *Missouri Department of Revenue v. Richard L. Netwal*, Clay Co. Cir. Ct., Case No. 10CY-TJ03283.
22. The Director has considered Netwal's history and all of the circumstances surrounding Netwal's Application. Granting Netwal an individual resident insurance producer license would not be in the interest of the public. Accordingly, the Director exercises his discretion to refuse to issue an individual resident insurance producer license to Netwal.
23. This Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that the individual resident insurance producer license application of Richard Netwal is hereby REFUSED.

SO ORDERED.

WITNESS MY HAND THIS 2ND DAY OF OCTOBER, 2012.




JOHN M. HUFF
DIRECTOR

NOTICE

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

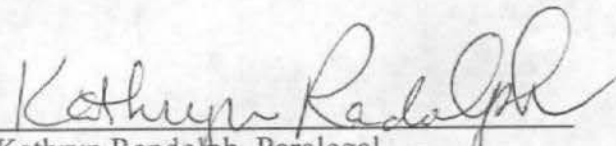
You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission of Missouri, P.O. Box 1557, Jefferson City, Missouri, within 30 days after the mailing of this notice pursuant to Section 621.120, RSMo. Pursuant to 1 CSR 15-3.290, unless you send 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 4th day of October, 2012 a copy of the foregoing Order and Notice was served upon the Applicant in this matter by regular mail at the following address:

Richard Netwal
3503 NW 95th Street
Kansas City, MO 64154

Certified No. 7009 3410 0001 9255 5757


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