



**State of Missouri**

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

IN RE:

Aaron M. Catugal,

Applicant.

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Case No. 12-0619448C

**ORDER REFUSING TO ISSUE  
INSURANCE PRODUCER LICENSE**

On October 9, 2012, the Consumer Affairs Division submitted a Petition to the Director alleging cause for refusing to issue Aaron M. Catugal an insurance producer license. 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.

**FACTUAL BACKGROUND**

1. Aaron M. Catugal ("Catugal") is an individual residing in Missouri, whose residential and mailing address of record is 900 SE 14<sup>th</sup> Street, Lee's Summit, Missouri 64081.
2. On or about April 11, 2012, the Department of Insurance, Financial Institutions and Professional Registration ("Department") received an electronic resident insurance producer license application ("Application") from Catugal.
3. In the section of the Application headed "Background Questions," Background Question # 1 asks:

Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?

Note: "Crime" includes a misdemeanor, a felony or a military offense.

You may exclude misdemeanor traffic citations and misdemeanor convictions or pending misdemeanor charges 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 no contest,

or having been given probation, a suspended sentence, or a fine.

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

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

4. Catugal answered "Yes" to Question # 1, and disclosed the following information:

- a. On or about November 26, 2003, Catugal pleaded guilty to the Class C Felony of Possession of a Controlled Substance - Methamphetamine, in violation of Revised Code of Washington ("RCW") § 69.50.401(d) (2003). The court sentenced Catugal to 20 days' confinement, 12 months in community custody, and ordered him to pay \$2,720.00 in fines and costs. On April 18, 2005, at the termination of his supervision by the Department of Corrections, Catugal had paid \$145.00, and accrued an additional \$443.35 in interest, leaving a balance due of \$3,018.35. *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Superior. Ct., Case No. 03-1-02240-3.
- b. On May 9, 2012, Catugal estimated in a phone call with Special Investigator Karen Crutchfield that he still owes between \$2,100.00 and \$2,200.00 on the fines and costs he was ordered to pay.

5. Catugal failed to disclose the following convictions on his Application:

- a. On January 10, 2003, Catugal pleaded guilty to Unlawful Use of Weapons, a gross misdemeanor. The court sentenced Catugal to 365 days' jail time, with 351 days suspended. The court fined Catugal \$778.00. *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Dist. Ct., Case No. 48256A VPD.
- b. On January 10, 2003, Catugal pleaded guilty to Possession of Drug Paraphernalia, a misdemeanor. The court sentenced Catugal to 90 days' jail time, with 89 days suspended. The court fined Catugal \$500.00. *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Dist. Ct., Case No. 48256A VPD.
- c. On January 10, 2003, Catugal pleaded guilty to Resisting Arrest, a misdemeanor. The court sentenced Catugal to 90 days' jail time, with 89 days suspended. The court fined Catugal \$746.00. *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Dist. Ct., Case No. 48255A VPD.
- d. On January 31, 2005, Catugal pleaded guilty to Possession of a Dangerous Weapon, a gross misdemeanor. The court sentenced Catugal to 365 days' jail time, with 355 days suspended. The court fined Catugal \$413.00. *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Dist. Ct., Case No. 57559 VPD.

6. In the section of the Application headed "Background Questions," Background Question # 7 asks "Do you have a child support obligation in arrearage?"
7. Catugal answered "Yes" to Question # 7, and disclosed the following information:
  - a. Catugal stated in a written statement dated April 13, 2012, that he was "in arrearage about 12 months with the state of Nevada" and "subject and in compliance with a payment agreement."
  - b. A Notice and Finding of Financial Responsibility from the Washington Department of Social and Health Services, Division of Child Support, dated May 31, 2011, states that Catugal owes a total of \$2,656.00 for past-due support for the period from February 1, 2010 to May 31, 2011, as well as \$166.00 for current monthly support.
  - c. According to a Withholding Notice from the Washington Department of Social and Health Services, Division of Child Support, dated April 24, 2012, Catugal owes a total of \$4,316.00 for past-due support and \$166.00 for current monthly support.

#### CONCLUSIONS OF LAW

8. Section 375.141.1, RSMo (Supp. 2011),<sup>1</sup> provides, in part:

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:

(1) Intentionally providing materially incorrect, misleading, incomplete or untrue information in the license application;

\* \* \*

(3) Obtaining or attempting to obtain a license through material misrepresentation or fraud;

\* \* \*

(6) Having been convicted of a felony or crime involving moral turpitude;

\* \* \*

(13) Failing to comply with an administrative or court order imposing a child support obligation[.]

9. 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).
10. Catugal may be refused an insurance producer license pursuant to § 375.141.1(1) because by failing to disclose four (4) different misdemeanor convictions, Catugal intentionally provided materially incorrect, misleading, incomplete or untrue information on a license

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<sup>1</sup> All statutory references are to the Revised Statutes of Missouri (Supp. 2011) unless otherwise noted.

application. *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Dist. Ct., Case No. 48256A VPD (one count each of Unlawful Use of Weapons, a gross misdemeanor, and Possession of Drug Paraphernalia, a misdemeanor); *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Dist. Ct., Case No. 48255A VPD (Resisting Arrest, a misdemeanor); *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Dist. Ct., Case No. 57559 VPD (Possession of a Dangerous Weapon, a gross misdemeanor).

11. Each failure to disclose is a separate and sufficient cause for refusal pursuant to § 375.141.1(1).
12. Catugal may be refused an insurance producer license pursuant to § 375.141.1(3) because by failing to disclose four (4) different misdemeanor convictions, Catugal attempted to obtain a license through material misrepresentation or fraud. *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Dist. Ct., Case No. 48256A VPD (one count each of Unlawful Use of Weapons, a gross misdemeanor, and Possession of Drug Paraphernalia, a misdemeanor); *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Dist. Ct., Case No. 48255A VPD (Resisting Arrest, a misdemeanor); *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Dist. Ct., Case No. 57559 VPD (Possession of a Dangerous Weapon, a gross misdemeanor).
13. Each failure to disclose is a separate and sufficient cause for refusal pursuant to § 375.141.1(3).
14. Catugal may be refused an insurance producer license pursuant to § 375.141.1(6) because he has been convicted of a felony. *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Superior. Ct., Case No. 03-1-02240-3 (Possession of a Controlled Substance - Methamphetamine, a Class C Felony).
15. Catugal may be refused an insurance producer license pursuant to § 375.141.1(6) because he has been convicted of a crime involving moral turpitude. *State of Washington v. Aaron Mitchell Catugal*, Clark Co. Superior. Ct., Case No. 03-1-02240-3 (Possession of a Controlled Substance - Methamphetamine, a Class C Felony). See *In re Shunk*, 847 S.W.2d 789, 791 (Mo. banc 1993) (“[A] felony conviction for possession of narcotics is a crime of moral turpitude[.]”).
16. Catugal may be refused an insurance producer license pursuant to § 375.141.1(13) because he has failed to comply with an administrative order imposing a child support obligation. *Notice and Finding of Financial Responsibility*, Washington Department of Social and Health Services, Division of Child Support, Case No. 2301994.

- 17. The Director has considered Catugal's history and all of the circumstances surrounding Catugal's Application for licensure and for the reasons stated in this Order exercises his discretion in refusing to grant Catugal an insurance producer license.
- 18. This Order is in the public interest

**ORDER**

IT IS THEREFORE ORDERED that the insurance producer license of Aaron M. Catugal is hereby REFUSED.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 15<sup>TH</sup> DAY OF OCTOBER, 2012.

  
JOHN M. HUFF  
DIRECTOR



NOTICE

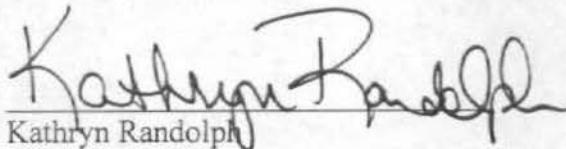
**TO: Applicant and any unnamed persons aggrieved by this Order:**

You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission, P.O. Box 1557, Jefferson City, Missouri within 30 days after the mailing of this notice pursuant to § 621.120, RSMo. Under 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 16th day of October, 2012, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by certified/priority mail No. 7009 3410 0001 9255 5788.

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Lee's Summit, Missouri 64081



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