



**State of Missouri**

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

**IN THE MATTER OF:**

**Dorian Keith Saunders,**

**Applicant.**

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**Case No.: 101118700C**

**REFUSAL TO ISSUE INSURANCE PRODUCER LICENSE**

On December 30, 2010, Ross A. Kaplan, Enforcement Counsel and Counsel to the Consumer Affairs Division, submitted a Petition to the Director alleging cause for refusing to issue an insurance producer license to Dorian Keith Saunders. 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 summary order:

**FINDINGS OF FACT**

1. Dorian Keith Saunders ("Saunders") is an individual residing in Missouri.
2. On or about July 16, 2010, the Department of Insurance, Financial Institutions and Professional Registration ("Department") filed Saunders' Uniform Application for Individual Insurance Producer License ("Application").
3. In his Application, Saunders listed his residential, business, and mailing address as 522 Vinings Blvd., O'Fallon, Missouri 63366.
4. Saunders was originally licensed as an insurance producer, license number 205481, on July 26, 2004, and such license expired on July 26, 2008.
5. Background Question No. 2 of the Application asks: "Have you ever been named or involved as a party in an administrative proceeding regarding any professional or occupational license or registration?"
6. Saunders answered "Yes" to Background Question No. 2.
7. Background Question No. 6 of the Application asks:

Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of a limited liability company, ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct?

8. Saunders answered "Yes" to Background Question No. 6.
9. On February 19, 2008, the Department received a complaint from Shirley Woolfolk ("Woolfolk") who alleged she had been unable to access or retrieve any portion of investment funds provided to Saunders and that she was unable to contact Saunders.
10. Based upon Woolfolk's complaint, Special Investigator Ron Harrod ("Harrod") began investigating Saunders and on March 3, 2008, mailed Saunders a letter requesting a written response to the complaint from Woolfolk.
11. Saunders did not respond to the March 3, 2008, letter within 20 days from the date the letter was mailed.
12. On August 6, 2008, the Department received a "Renewal Notice" from Saunders.
13. On September 24, 2008, Saunders provided a written response to the March 3, 2008 letter from Harrod.
14. In his September 24, 2008 response, Saunders failed to demonstrate a reasonable justification for the response's delay.
15. In his written response, Saunders stated "She was retiring and needed options for sustained [i]ncome in 2006. Miss Woolfolk just want [sic] succored [sic] [g]auranteed [sic] [i]ncome to supplement her social security payment she was receiving."
16. Saunders also stated in his written response:

We set up an account in NolansFX and moved the remaining 15600 into that account. Initially she [Woolfolk] made a little over (\$7,000.00 or \$8,000.00). Instead of taking it out we stayed with it, until the following month, in an effort to cover the taxes and new car she was wanting. I sent her a statement wich [sic] shows this. Then market conditions change [sic] abruptly and her money was lost.
17. On October 11, 2008, Saunders signed a Letter of Acceptance, Waiver and Consent with Financial Industry Regulatory Authority ("FINRA") in which Saunders admitted unethical conduct and violating National Association of Security Dealers ("NASD") Procedure Rule 8210, NASD Conduct Rule 2110, and consented to a bar from association with any FINRA member in any capacity.
18. Saunders did not report the Letter of Acceptance, Waiver and Consent with FINRA to the Director ("Director") of the Missouri Department of Insurance, Financial Institutions and Professional Registration within 30 days of its final disposition.
19. On November 24, 2008, Saunders entered into a Consent Order with the Enforcement

Section of the Division of Securities, Missouri Secretary of State, in which Saunders consented to being barred from registration as a broker-dealer agent or investment adviser representative in the State of Missouri.

20. Saunders did not report the Consent Order with the Enforcement Section of the Missouri Division of Securities to the Director within 30 days of its final disposition.
21. On February 5, 2009, a subpoena conference was held at the Department at which Saunders appeared in order to answer questions regarding the Woolfolk complaint.

- a. During the subpoena conference, Saunders stated with regards to Woolfolk:

[S]he was getting ready to retire, and she was looking for income of around \$1,300 a month... for life. She wanted to make sure that her money would not - would not run out, and coupled with her security and the lifetime income that she wanted, she really didn't need or want a bulk of cash. She was a stability of income.

- b. When asked by Harrod if Woolfolk understood the risk involved with the investment, Saunders stated "...I told her there was some risk, but I told her, you know, I wouldn't let that happen..."
- c. Harrod also asked Saunders if the currency market was a relatively risky market to put money into and Saunders replied "Yeah. I would say it was, it was a horrible decision."
- d. Later in the subpoena conference, Saunders said he intended to pay back the investors whose money he lost, but not through investing. "I really didn't want to do investments or anything like that anymore. I just don't - didn't feel qualified."

- c. Saunders then went on to state:

But I was going to give \$10,000 to a lawyer. I thought my E&O could cover it, because I wrote them a letter and said, Look. All of these people got killed. They trusted me. I didn't know what I was doing, obviously. If I would have educated them on the risk, if I would have fully understood it, I didn't have - I didn't have the opportunity of not knowing these people.

22. On June 11, 2009, Director John Huff refused to renew Saunders application in case numbers 08A000137 and 08A000645 for failure to respond to the Department's inquiries, for demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state, and for failing to report within 30 days final dispositions of administrative actions taken against him, under §375.141.1(2) and (8), RSMo (Supp. 2008).

23. To date, Saunders has yet to give a reasonable justification as to why he did not timely respond to the Department's March 3, 2008 letter.

### CONCLUSIONS OF LAW

24. Section 375.141, RSMo (Supp. 2009)<sup>1</sup> states, 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;

\* \* \*

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

\* \* \*

6. An insurance producer shall report to the director any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent order or other relevant legal documents.

25. 20 CSR 100-4.100, Required Response to Inquiries by the Consumer Affairs Division, states in relevant part:

(2) Except as required under subsection (2)(B)—

(A) 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...unless the person can demonstrate that there is reasonable justification for that delay.

(B) This rule shall not apply to any other statute or regulation which requires a different time period for a person to respond to an inquiry by the department. If another statute or regulation requires a shorter response

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<sup>1</sup> All statutory references are to RSMo (Supp. 2009) unless otherwise indicated.

time, the shorter response time shall be met. This regulation operates only in the absence of any other applicable laws.

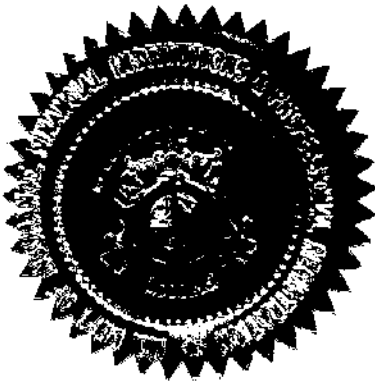
26. The principal purpose of § 375.141, RSMo is not to punish licensees or applicants, but to protect the public. *Ballew v. Ainsworth*, 670 S.W.2d 94, 100 (Mo.App. E.D. 1984).
27. Saunders failed to reply to Harrod's March 8, 2008, letter within 20 days or provide a reasonable justification for the delay, which is a violation of 20 CSR 100-4.100 and cause to refuse Saunders' insurance producer license under §375.141.1(2).
28. Saunders, knowing Woolfolk desired a sustained income in her retirement, invested Woolfolk's money in an admittedly risky investment, which demonstrates incompetence, untrustworthiness or financial irresponsibility in the conduct of business, which is cause to refuse Saunders' insurance producer license under §375.141.1(8).
29. Saunders failed to report the October 11, 2008, Letter of Acceptance, Waiver and Consent with FINRA to the Director within 30 days of its final disposition, which is a violation of §375.141.6, and a cause to refuse Saunders' insurance producer license under §375.141.1(2).
30. Saunders failed to report the November 24, 2008, Consent Order with the Enforcement Section of the Missouri Division of Securities to the Director within 30 days of its final disposition, which is a violation of §375.141.6, and a cause to refuse to renew Saunders' insurance producer license under §375.141.1(2).
31. The Director has considered Saunders' history and all of the circumstances surrounding Saunders' application. Saunders demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business by losing Woolfolk's money in a risky investment when Woolfolk requested the money be placed in a safe investment. Additionally, Saunders failed to timely report the final disposition of two administrative orders issued against him. Finally, Saunders failed to timely respond to an inquiry from the Consumer Affairs Division and failed to demonstrate a reasonable justification for that delay. Granting Saunders a Missouri insurance producer license would not be in the interest of the public.
32. This Order is in the public interest.


**ORDER**

**IT IS THEREFORE ORDERED** that the insurance producer license of Dorian Keith Saunders is hereby summarily **REFUSED**.

**SO ORDERED.**

WITNESS MY HAND THIS 30<sup>TH</sup> DAY OF DECEMBER, 2010.



  
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 §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 3<sup>rd</sup> day of January, 20 10, a copy of the foregoing Notice and Order was served upon the Applicant Dorian Keith Saunders in this matter by certified mail No. 7002 0460 0003 0701 8727 at

Dorian Keith Saunders  
522 Vinings Blvd.  
O'Fallon, Missouri 63366

Kathryn Randolph