



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

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

IN RE:

MARK Q. STAFFORD,

Respondent.

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Case No. 170317223C

CONSENT ORDER

CHLORA LINDLEY-MYERS, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, takes up the above matter for consideration and disposition. The Consumer Affairs Division, through counsel Mark J. Rachel, and Mark Q. Stafford have reached a settlement in this matter and have agreed to the issuance of this Consent Order.

1. Chlora Lindley-Myers is the duly appointed Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (“Director” of the “Department”) whose duties, pursuant to Chapters 374 and 375, RSMo,¹ include the licensure, supervision, and discipline of insurance producers.

2. The Consumer Affairs Division of the Department (the “Division”) has the duty of conducting investigations regarding the conduct of insurance producer licensees, and has been authorized by the Director to initiate actions before her to enforce the insurance laws of

¹ All civil statutory references are to the 2016 Missouri Revised Statutes.

Missouri, including insurance producer license discipline.

3. On March 30, 1995, the Department issued to Respondent Mark Q. Stafford (“Stafford”) resident insurance agent license number 0223933, which was renewed biennially until it expired on March 30, 2017.²

4. On or before November 11, 2015, Stafford presented to his insurance client N.L.³ an annuity statement purportedly from Allianz Life Insurance Company of North America, a Minnesota corporation (“Allianz”). The statement contained incorrect account values as a result of Stafford’s unauthorized alterations.

5. Allianz compared the altered annuity statement that Stafford gave to N.L. with its actual account records, and detected that the asset values had been inflated. Allianz terminated its business relationship with Stafford shortly thereafter, and reported the termination to the Department.

6. On April 27, 2016, Special Investigator Dennis Fitzpatrick of the Division (“Special Investigator Fitzpatrick”) mailed an inquiry letter to Stafford by first-class mail, postage prepaid, requesting that he respond within twenty days to the allegations surrounding his termination by Allianz. The inquiry letter warned that “[f]ailure to respond could result in disciplinary action by this Department.”

7. Stafford received the April 27, 2016 inquiry letter from the Division, but neither mailed a response within twenty days nor demonstrated reasonable justification for his nonresponsiveness.

8. On May 24, 2016, Special Investigator Fitzpatrick mailed a second inquiry letter to Stafford by first-class mail, postage prepaid, requesting within twenty days the same

² Pursuant to L. 2001, SB 193 (91st Gen. Assem., 1st Reg. Sess.), effective January 1, 2003, the legislature converted Missouri insurance agent licenses to insurance producer licenses. *See also* § 375.012.3.

³ The consumer’s identity is protected by the use of initials.

information and documents as the first inquiry letter. The second inquiry letter similarly warned that “[f]ailure to respond could result in disciplinary action by this Department.”

9. Stafford received the May 24, 2016 inquiry letter from the Division, but did not mail any response within twenty days.

10. Eventually on July 27, 2016, Special Investigator Fitzpatrick received a letter from Stafford claiming that Allianz had actually “terminated my contract in 2014 for lack of production ... [but] changed my termination to cause in an attempt to make me look like the fall guy” for financial consequences suffered by his client. Stafford did not provide any explanation for why his response was more than a month tardy.

11. On May 15, 2017, the Missouri Commissioner of Securities (“Commissioner”) issued a Final Order to Cease and Desist and Order Awarding Restitution, Costs, and Civil Penalties against Stafford in the administrative proceeding known as *In re Mark Q. Stafford, et al.*, Case No. AP-17-04, Mo. Sec’y of State, Sec. Div. (the “Securities Order”).

12. In the Securities Order, the Commissioner found and concluded that Stafford defrauded his clients and misappropriated their money in the course of transacting unregistered investment and securities business.

13. In the Securities Order, the Commissioner also found and concluded that Stafford misrepresented his credentials as a certified financial planner and registered agent, neither of which he was.

14. On March 15, 2017, Stafford was charged in federal court with Mail Fraud, a felony, in violation of 18 U.S.C. §§ 2 and 1341, and Filing a False Tax Return, a felony, in violation of 26 U.S.C. § 7206(1).⁴ See Information, *United States v. Stafford*, U.S. Dist. Ct., E.D.

⁴ All criminal statutory references are to those contained in the version of the United States Code pursuant to which Stafford was charged.

Mo., Case No. 4:17-CR-00112 (“*U.S. v. Stafford*”). The Mail Fraud allegations resembled Stafford’s conduct as described in the Securities Order.

15. Stafford pled guilty to the felonies as charged, including that he fraudulently “represented to at least one client that the client’s funds had been placed with Allianz for a life insurance annuity ... [and] created false financial statements and other documents that purported to have been created by Allianz” so that he could convert the money to his own use.

16. On July 11, 2017, Stafford was convicted for each of the charged felonies in *U.S. v. Stafford*.

17. Stafford understands and agrees that pursuant to § 375.141.1(2) the Director may discipline his resident insurance producer license because he violated a regulation of the Director, specifically 20 CSR 100-4.100, when he failed to respond timely to the Division’s inquiries.

18. Stafford understands and agrees that pursuant to § 375.141.1(6) the Director may discipline his resident insurance producer license because he has been convicted of felonies.

19. On or about August 24, 2018, counsel for the Division provided a written description of the specific conduct for which discipline may be sought and citations to law, together with copies of any documents upon which it based the allegations, and the Division’s settlement offer, specifically this Consent Order, in accordance with § 621.045.4(1). Counsel for the Division further advised Stafford that he had sixty (60) days to review the relevant documents and consider the proposed settlement offer in accordance with § 621.045.4(2).

20. Stafford and the Division desire to settle the allegations raised by the Division.

21. Stafford acknowledges and understands that he has the right to consult an attorney regarding these matters.

22. Stafford further acknowledges that he has been advised that he may, either at the time this Consent Order is signed by all parties or within fifteen (15) days thereafter, submit this Consent Order to the Administrative Hearing Commission for determination whether the facts agreed by the parties to this Consent Order constitute cause for discipline of Stafford's resident insurance producer license.

23. Except as provided in paragraph 22 above, Stafford stipulates and agrees to waive any waivable 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 Consent Order, and forever releases and holds harmless the Department, the Division, the Director, and her agents from all liability and claims arising out of, pertaining to, or relating to this matter.

24. Stafford acknowledges and understands that this Consent Order is an administrative action and will be reported by the Department to other jurisdictions. Stafford further acknowledges and understands that this administrative action should be disclosed on future license applications and renewal applications in this state and elsewhere, and that it is his responsibility to comply with the reporting requirements of each jurisdiction in which he may be licensed.

25. All signatories to this Consent Order certify by signing that they are fully authorized, in their own capacities, or by the named parties they represent, to accept the terms and provisions of this Consent Order in their entirety and agree, in their personal or representative capacities, to be bound by the terms of this Consent Order.

CONCLUSIONS OF LAW

26. Section 375.141 provides, in relevant 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; [or]

* * *

(6) Having been convicted of a felony[.]

* * *

4. The director may also revoke or suspend pursuant to subsection 1 of this section any license issued by the director where the licensee has failed to renew or has surrendered such license.

27. Title 20 CSR 100-4.100(2)(A) is a regulation of the Director and 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.

28. The foregoing facts hereby admitted by Stafford constitute cause for the Director to discipline Stafford's license pursuant to § 375.141.1(2) and (6).

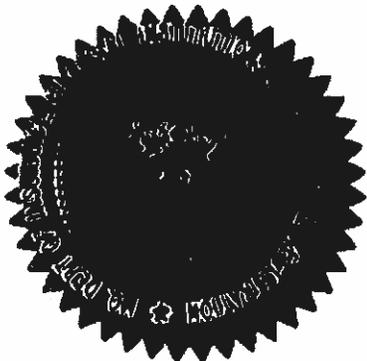
29. The Director is authorized to settle this matter and issue this Consent Order in the public interest pursuant to §§ 374.046, 536.060, and 621.045.

30. The terms set forth in this Consent Order are an appropriate disposition of this matter and issuance of this Consent Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that the resident insurance producer license of Respondent Mark Q. Stafford, number 0223933, is hereby REVOKED.

SO ORDERED, SIGNED, AND OFFICIAL SEAL AFFIXED THIS 11th DAY OF October, 2018.



Chlora Lindley Myers
CHLORA LINDLEY-MYERS, Director
Missouri Department of Insurance, Financial
Institutions and Professional Registration

CONSENT AND WAIVER OF HEARING

The undersigned persons understand and acknowledge that Mark Q. Stafford has the right to a hearing, but that Mark Q. Stafford has waived the hearing and agreed to the issuance of this Consent Order.

Mark Stafford
Mark Q. Stafford, Respondent
#46626-044
4500 Prison Road
Marion, Illinois 62959

9-28-18
Date

Counsel for Respondent
Missouri Bar #: _____
Address: _____

Telephone: _____
Facsimile: _____
E-mail: _____

Date

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5 October 2018
Date