

**State of Missouri**

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

**IN RE:** )  
 )  
**REGINALD ANDRE CARVER,** ) **Case No. 170428262C**  
 )  
**Applicant.** )

**ORDER REFUSING TO ISSUE A MOTOR VEHICLE EXTENDED  
SERVICE CONTRACT PRODUCER LICENSE**

On July 21, 2017, the Consumer Affairs Division (“Division”) submitted a Petition to the Director alleging cause for refusing to issue a motor vehicle extended service contract producer license to Reginald Andre Carver. 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. Reginald Andre Carver (“Carver”) is a Missouri resident with a current reported residential address of 3525 Greenway Chase, St. Louis, Missouri 63031.
2. On August 22, 2014, the Department of Insurance, Financial Institutions and Professional Registration (“Department”) received Carver’s “Application for Motor Vehicle Extended Service Contract Producer License” (“2014 Application”).
3. Carver signed the “Applicant’s Certification and Attestation” section of the 2014 Application, which states, in relevant part, as follows:

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. I further certify, under penalty of perjury, that a) I have no outstanding state or federal income tax obligations, or b) I have an outstanding state or federal income tax obligation and I have provided all information and documentation requested in Background Information Question 36.4.

5. I further certify, under penalty of perjury, that a) I have no child support obligation, b) I have a child support obligation and I am currently in compliance with that obligation, or c) I have a child support obligation that is in arrears, I am in compliance with a repayment plan to cure the arrears, and I have provided all information and documentation requested in Background Information Question 36.7.

4. Carver signed the "Applicant's Certification and Attestation" section of the 2014 Application in front of a notary public.
5. Background Information Question No. 4 of the 2014 Application asks:

Have you failed to pay state or federal income tax?

Have you failed to comply with an administrative or court order directing payment of state or federal income tax?

Answer "Yes" if the answer to either question (or both) is "Yes."

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

- a) a written statement explaining the circumstances of each administrative or court order,
- b) copies of all relevant documents (i.e. demand letter from the Department of Revenue or Internal Revenue Service, etc.),
- c) a certified copy of each administrative or court order, judgment, and/or lien, and
- d) a certified copy of the official document which demonstrates the resolution of the tax delinquency (i.e. tax compliance letter, etc.).

6. Carver marked "Yes" in response to Background Information Question No. 4 on the 2014 Application. Carver disclosed that he was paying installments to the Internal Revenue Service to resolve his account balance.

7. Background Information Question No. 7 of the 2014 Application asks as follows:

Do you currently have or have you had a child support obligation?

If you answer yes:

- a) are you in arrearage?
- b) by how many months are you in arrearage? \_\_\_\_\_ months
- c) what is the total amount of your arrearage? \_\_\_\_\_
- d) are you currently subject to a repayment agreement to cure the arrearage? (If you answer yes, provide documentation showing an approved repayment plan from the appropriate state child support agency.)
- e) are you in compliance with said repayment agreement? (If you answer yes, provide documentation showing proof of current payments from the appropriate state child support agency.)
- f) are you the subject of a child support related subpoena/warrant? (If you answer yes, provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)
- g) have you ever been convicted of a misdemeanor or felony for failure to pay child support?

8. Carver marked "Yes" in response to Background Information Question No. 7 on the 2014 Application. Carver disclosed that he had a child support obligation and was in arrears. More particularly, Carver indicated that he was 1-1/2 months in arrears and that his total arrearage was "600." Carver attached an "Earnings Statement" from Charter Communications LLC showing \$133.62 being deducted for "child support."

9. Based upon and in reliance upon Carver's answers and representations on the 2014 Application, the Director issued a motor vehicle extended service contract producer license (number 8327037) to Carver on August 28, 2014.

10. Carver did not renew that license and it expired on August 28, 2016.

11. On December 20, 2016, the Department received Carver's "Application for Motor Vehicle Extended Service Contract Producer License Renewal" ("2016 Application").<sup>1</sup>
12. Carver signed the "Applicant's Certification and Attestation" section of the 2016 Application, which states, in relevant part, as follows:

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. I further certify, under penalty of perjury, that a) I have no outstanding state or federal income tax obligations, or b) I have an outstanding state or federal income tax obligation and I have provided all information and documentation requested in Background Information Question 36.4.

5. I further certify, under penalty of perjury, that a) I have no child support obligation, b) I have a child support obligation and I am currently in compliance with that obligation, or c) I have a child support obligation that is in arrears, I am in compliance with a repayment plan to cure the arrears, and I have provided all information and documentation requested in Background Information Question 36.7.

13. Carver signed the "Applicant's Certification and Attestation" section of the 2016 Application in front of a notary public.
14. Background Information Question No. 4 of the 2016 Application asks the applicant, in part, "Have you failed to pay state or federal income tax, which has not been previously reported to this insurance department?" Carver answered "No" to Background Information Question No. 4 of the 2016 Application.

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<sup>1</sup> Because Carver's license expired on August 28, 2016, he had no license to renew. *See* § 385.207.6, RSMo Supp. 2013. That said, the Department's Licensing Section treated Carver's 2016 Application as a request for license issuance (versus a request for renewal) and did not require Carver to submit any new or additional paperwork.

15. Background Information Question No. 7 of the 2016 Application asks, in part, “Do you currently have or have you had a child support obligation, which has not been previously reported to this insurance department?” Carver answered “No” to this question. Background Information Question No. 7 also has various subparts, regarding any arrearages, the number of months in arrearage, any repayment agreements, and compliance with repayment agreements, among other things. Carver answered “No” to all subparts of Background Information Question No. 7 of the 2016 Application.
16. In the “Employment History” section of the 2016 Application, Carver indicated that he worked for “Car Care” from “May 2016 – present.” For “Position Held,” Carver indicated “Sales.” Carver signed the 2016 Application on December 6, 2016.
17. Car Care VSC LLC (“Car Care”), located at 1851 Craig Park Ct., St. Louis, Missouri 63146, is a motor vehicle extended service contract business entity producer (license no. 8329983) licensed by the Department to offer, sell, and solicit motor vehicle extended service contracts to consumers in the state of Missouri.
18. On October 10, 2014, the St. Louis County Circuit Court entered a judgment against Carver for unpaid taxes for the 2011, 2012, and 2013 tax filing years, as follows:

The Director of Revenue, under Section 143.902,<sup>2</sup> 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 \$1,992.14]. Interest continues to accrue as provided by law until the full amount of the tax liability is paid.

*Department of Revenue v. Reginald Carver*, St. Louis Co. Cir. Ct., Case No. 14SL-MC14318.

19. On December 22, 2016, Andrew Engler (“Engler”), Special Investigator with the Division, sent an inquiry letter to Carver via first class mail, postage prepaid, at the residential address that Carver provided on his 2016 Application, 3525 Greenway Chase, St. Louis, Missouri 63031. In it, Engler indicated that the Division’s investigation revealed that the Missouri Department of Revenue had filed a tax lien against Carver. Engler asked Carver to provide the current status of

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<sup>2</sup> Section 143.902, RSMo 2000, provides that the director of revenue can file a lien where the assessment of tax, interest, additions to tax or penalty have become final and can convert that to a judgment in the circuit court if the taxpayer does not pay.

the lien and evidence of either a repayment agreement or a letter of compliance. Engler requested a response within twenty days, citing 20 CSR 100-4.100 and warning Carver that failure to respond could result in a refusal to issue a motor vehicle extended service contract producer license.

20. The United States Postal Service did not return Engler's December 22, 2016 inquiry letter to the Division as undeliverable.
21. Carver did not provide a written response to Engler's December 22, 2016 inquiry letter and he did not demonstrate reasonable justification for delay.
22. On December 30, 2016, Engler received a call from Carver. Carver said he owed taxes for 2015. Engler pointed out to Carver that Carver listed his employment on the 2016 Application as "Sales" since May 2016 with Car Care, but that Carver's motor vehicle extended service contract producer license had expired in August 2016. Carver indicated that he must have made a mistake when he listed the months when he was employed in "Sales" for Car Care, but Engler pointed out that Carver wrote that he was involved in "Sales" at Car Care from May 2016 to the "present," and that Carver had signed the 2016 Application on December 6, 2016. Carver did not deny having been involved in "Sales" with Car Care.
23. Again on January 17, 2017, Engler sent another inquiry letter to Carver via first class mail, postage prepaid, at Carver's residential address. In it, Engler reiterated that the Division's investigation revealed that the Missouri Department of Revenue had filed a tax lien against Carver. Engler again asked Carver to provide the current status of the lien and evidence of either a repayment agreement or a letter of compliance. Engler requested a response within twenty days, again citing 20 CSR 100-4.100 and warning Carver that failure to respond could result in a refusal to issue a motor vehicle extended service contract producer license.
24. The United States Postal Service did not return Engler's January 17, 2017 inquiry letter to the Division as undeliverable.
25. Carver did not respond to Engler's January 17, 2017 letter and he did not demonstrate reasonable justification for delay.
26. The Division's investigation also revealed that Carver understated his child support obligations and arrearages on his 2014 Application and his 2016 Application. In his 2014 Application, Carver claimed that he was 1-1/2 months behind in child support and that he had an arrearage of "600." In his 2016 Application, Carver answered "No" to Background Information Question No. 7,

thereby providing no new or different information from the information that he provided in the 2014 Application.

27. Carver has two child support obligations that are in arrears:
  - a. *Missouri Div. of Family Services, Child Support Enforcement v. Reginald Carver*, St. Louis City Cir. Ct., Case No. 22047-01226. On or about January 15, 2006, Carver was ordered by the court to pay \$213.00 per month for one child. *Id.* As of August 2014, Carver's obligation was \$5,215.34 in arrears.
  - b. *State of Missouri, Div. of Child Support Enforcement v. Reginald Carver*, Case No. 90730788. Carver was administratively ordered to pay \$193.00 per month for one child. Since December 2016, Carver does not have a monthly support obligation, but as of March 2017, Carver still owes \$3,379.49 in arrears. Further, as of August 2014, Carver's obligation was \$2,583.01 in arrears, an amount in excess of the "600" he disclosed on his 2014 Application.
28. In August 2014, when the Department received Carver's 2014 Application, Carver's total arrearage on both cases was \$7,798.35. As of December 2016, when the Department received his 2016 Application, Carver's total arrearage on both cases was \$10,223.03.
29. It is inferable, and hereby found as fact, that Carver failed to disclose his failure to pay Missouri income taxes on his 2014 Application (*Missouri Dep't of Revenue v. Reginald A. Carver*, St. Louis Co. Cir. Ct., Case No. 14SL-MC14318) in the hopes that the Director would overlook Carver's failure to comply with a court or administrative order directing the payment of state income tax and thereby improve the chances that the Director would issue a license to him, which, relying on Carver's misrepresentations, the Director did.
30. It is inferable, and hereby found as fact, that Carver failed to disclose his failure to pay Missouri income taxes on his 2016 Application (*Missouri Dep't of Revenue v. Reginald A. Carver*, St. Louis Co. Cir. Ct., Case No. 14SL-MC14318) in the hopes that the Director would overlook Carver's failure to comply with a court or administrative order directing the payment of state income tax and thereby improve the chances that the Director would issue a license to him.
31. It is inferable, and hereby found as fact, that Carver failed to disclose on his 2014 Application his full and complete child support obligation in *Missouri Div. of Family Services, Child Support Enforcement v. Carver*, St. Louis City Cir. Ct.,

Case No. 22047-01226, and *State of Missouri, Division of Child Support Enforcement v. Reginald Carver*, Case No. 90730788, in order to obscure the extent of his child support obligations and arrearages and thereby improve the chances that the Director would issue a license to him, which, relying on Carver's misrepresentations, the Director did.

32. It is inferable, and hereby found as fact, that Carver failed to disclose on his 2016 Application his full and complete child support obligation and arrears in *Missouri Div. of Family Services, Child Support Enforcement v. Carver*, St. Louis City Cir. Ct., Case No. 22047-01226, and *State of Missouri, Division of Child Support Enforcement v. Reginald Carver*, Case No. 90730788, in order to obscure the extent of his child support obligations and arrearages and thereby improve the chances that the Director would issue a license to him.

### CONCLUSIONS OF LAW

33. Section 385.206.1(6), RSMo,<sup>3</sup> provides:

It is unlawful for any person in or from this state to sell, offer, negotiate, or solicit a motor vehicle extended service contract with a consumer, other than the following:

\* \* \*

(6) A business entity producer or individual producer licensed under section 385.207.

34. Section 385.207.3, RSMo Supp. 2013,<sup>4</sup> provides:

An individual, prior to selling, offering, negotiating, or soliciting a motor vehicle extended service contract with a consumer under subdivision (6) of subsection 1 of section 385.206, shall apply for and obtain licensure with the director as an individual producer in accordance with this section.

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<sup>3</sup> Section 385.206 was amended by H.B. 1976 but the governor vetoed the bill on July 1, 2016. The veto was overridden on September 14, 2016. This version became effective on October 14, 2016. See § 21.250, RSMo Supp. 2013. There is no difference in the language quoted between this, most recent version, and § 385.206, RSMo Supp. 2013, but the more recent version is cited here. That version is available at: <http://www.moga.mo.gov/mostatutes/stathtml/38500002061.html>. All further references to § 385.206 are to this most recent version.

<sup>4</sup> All further civil statutory references are to RSMo Supp. 2013 unless otherwise indicated.

35. Section 385.209.1 provides:

The director may suspend, revoke, refuse to issue, or refuse to renew a registration or license under sections 385.200 to 385.220 for any of the following causes, if the applicant or licensee or the applicant's or licensee's subsidiaries or affiliated entities acting on behalf of the applicant or licensee in connection with the applicant's or licensee's motor vehicle extended service contract program has:

- (1) Filed an application for license in this state within the previous ten years, which, as of the effective date of the license, was incomplete in any material respect or contained incorrect, misleading, or untrue information;
- (2) Violated any provision in sections 385.200 to 385.220, or violated any rule, subpoena, or order of the director;
- (3) Obtained or attempted to obtain a license through material misrepresentation or fraud;

\* \* \*

- (11) Unlawfully acted as a producer without a license;
- (12) Failed to comply with an administrative or court order imposing a child support obligation; [or]
- (13) Failed to comply with any administrative or court order directing payment of state or federal income tax[.]

36. 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.

37. The Director may refuse to issue a motor vehicle extended service contract (“MVESC”) producer license to Carver under § 385.209.1(1) because Carver filed an application for license in this state within the previous ten years, which, as of the effective date of the license, was incomplete in any material respect or contained incorrect, misleading or untrue information. Specifically, in his 2014 Application, in response to Background Information Question No. 4, Carver said that he was paying installments to the Internal Revenue Service to resolve his account balance. But the Division’s investigation revealed that on October 10, 2014, the Director of Revenue “certifie[d] that the following assessment of tax, interest, additions to tax, penalties, and fees have been made and become final [in the amount of \$1,992.14].” *Missouri Dep’t of Revenue v. Reginald A. Carver*, St. Louis Co. Cir. Ct., Case No. 14SL-MC14318. Carver filed an application that was incomplete in any material respect or contained incorrect, misleading or untrue information because he failed to disclose his state tax indebtedness.
38. The Director may refuse to issue an MVESC producer license to Carver under § 385.209.1(1) because Carver filed an application for license in this state within the previous ten years, which, as of the effective date of the license, was incomplete in any material respect or contained incorrect, misleading, or untrue information. Specifically, in his 2014 Application, in response to Background Information Question No. 7, Carver claimed to be 1-1/2 months behind on child support and “600” in arrears. But the Division’s investigation revealed that in August 2014, when the Department received Carver’s 2014 Application, Carver owed \$7,798.35 in arrears on two cases. Carver filed an application that was incomplete in any material respect or contained incorrect, misleading or untrue information because he obscured the full extent of his child support obligations and arrearages on his 2014 Application.
39. The Director may refuse to issue an MVESC producer license to Carver under § 385.209.1(2) because Carver violated a rule of the Director, specifically, 20 CSR 100-4.100(2)(A). Carver failed to adequately and timely respond to at least one written inquiry from the Division, mailed on January 17, 2017. Further, Carver failed to demonstrate reasonable justification for any delay.
40. The Director may refuse to issue an MVESC producer license to Carver under § 385.209.1(2) because Carver violated a provision in §§ 385.200 to 385.220, namely § 385.206.1(6), when he unlawfully, in or from this state, sold, offered, negotiated, or solicited motor vehicle extended service contracts with consumers between August 29, 2016 and at least December 6, 2016, during his employment with Car Care.

41. The Director may refuse to issue an MVESC producer license to Carver pursuant to § 385.209.1(2) because Carver violated a provision in §§ 385.200 to 385.220, namely § 385.207.3, when he failed to apply for and obtain licensure with the Director as an individual MVESC producer prior to selling, offering, negotiating or soliciting motor vehicle extended service contracts with consumers in or from this state between August 29, 2016 and at least December 6, 2016, during his employment with Car Care.
42. Each violation of a provision in §§ 385.200 to 385.220 or of a rule of the Director constitutes a separate and sufficient ground to refuse to issue Carver an MVESC producer license under § 385.209.1(2).
43. The Director may refuse to issue an MVESC producer license to Carver under § 385.209.1(3) because Carver obtained or attempted to obtain a license through material misrepresentation or fraud. In his 2014 Application, Carver disclosed that he was paying the Internal Revenue Service. But he did not mention any state taxes owed even though the Director of Revenue certified an assessment of tax, interest, additions to tax, penalties and fees against Carver on October 10, 2014 in the amount of \$1,992.14. *Missouri Dep't of Revenue v. Reginald A. Carver*, St. Louis Co. Cir. Ct., Case No. 14SL-MC14318.
44. The Director may refuse to issue an MVESC producer license to Carver under § 385.209.1(3) because Carver obtained or attempted to obtain a license through material misrepresentation or fraud. In his 2016 Application, Carver did not disclose any new or additional taxes owed as compared to what he disclosed in his 2014 Application. But by the time Carver provided his 2016 Application to the Department, in December 2016, the Director of Revenue had certified an assessment of tax, interest, additions to tax, penalties and fees against Carver on October 10, 2014 in the amount of \$1,992.14. *Missouri Dep't of Revenue v. Reginald A. Carver*, St. Louis Co. Cir. Ct., Case No. 14SL-MC14318.
45. The Director may refuse to issue an MVESC producer license to Carver under § 385.209.1(3) because Carver obtained or attempted to obtain a license through material misrepresentation or fraud. In his 2014 Application, in response to Background Information Question No. 7, Carver claimed to be 1-1/2 months behind on child support and "600" in arrears. But the Division's investigation revealed that in August 2014, when the Department received Carver's 2014 Application, Carver owed \$7,798.35 in arrears on two cases. Carver failed to disclose the full extent of his child support obligations and arrearages in his 2014 Application.
46. The Director may refuse to issue an MVESC producer license to Carver under

§ 385.209.1(3) because Carver obtained or attempted to obtain a license through material misrepresentation or fraud. In his 2016 Application, Carver answered “No” to all parts of Background Information Question No. 7 and all of its subparts, and he did not provide any new or different information regarding child support and arrearages from the information he provided in his 2014 Application. But the Division’s investigation revealed that in December 2016, when the Department received Carver’s 2016 Application, Carver owed \$10,223.03 in arrears on two cases. Carver failed to disclose the full extent of his child support obligations and arrearages in his 2016 Application.

47. The Director may refuse to issue an MVESC producer license to Carver under § 385.209.1(11) because Carver unlawfully acted as a producer without a license between August 29, 2016 and at least December 6, 2016, during his employment with Car Care.
48. The Director may refuse to issue an MVESC producer license to Carver under § 385.209.1(12) because Carver failed to comply with an administrative or court order imposing a child support obligation. As of August 2014, Carver owed \$5,215.34 in arrears on one of his cases. *Missouri Div. of Family Services, Child Support Enforcement v. Reginald Carver*, St. Louis City Cir. Ct., Case No. 22047-01226.
49. The Director may refuse to issue an MVESC producer license to Carver under § 385.209.1(12) because Carver failed to comply with an administrative or court order imposing a child support obligation. As August 2014, Carver owed \$2,583.01 in arrears on his other child support case. *State of Missouri, Div. of Child Support Enforcement v. Reginald Carver*, Case No. 90730788.
50. The Director may refuse to issue an MVESC producer license to Carver under § 385.209.1(13) because Carver failed to comply with any administrative or court order directing payment of state income tax. *Missouri Dep’t of Revenue v. Reginald A. Carver*, St. Louis Co. Cir. Ct., Case No. 14SL-MC14318.
51. The above-described instances are grounds upon which the Director may refuse to issue Carver an MVESC producer license.
52. The Director has considered Carver’s history and all of the circumstances surrounding Carver’s 2016 Application. Issuing a motor vehicle extended service contract producer license to Carver would not be in the interest of the public. Accordingly, the Director exercises her discretion to refuse to issue Carver an MVESC producer license.

53. This Order is in the public interest.

**ORDER**

**IT IS THEREFORE ORDERED** that the motor vehicle extended service contract producer license Application of **Reginald Andre Carver** is hereby **REFUSED**.

**SO ORDERED.**

WITNESS MY HAND THIS 24<sup>th</sup> DAY OF July, 2017.



*Chlora Lindley Myers*  
**CHLORA LINDLEY-MYERS**  
**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.

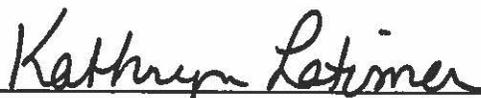
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**CERTIFICATE OF SERVICE**

I hereby certify that on this 24th day of July, 2017, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by United Parcel Service, with signature required, at the following address:

Reginald Andre Carver  
3525 Greenway Chase  
Florissant, MO 63031

Tracking No. 1Z0R15W84291442759



Kathryn Latimer, Paralegal  
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