

**DEPARTMENT OF COMMERCE AND INSURANCE**

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

IN RE: )  
 )  
**RAYMOND WESLEY LORD, II,** ) **Case No. 181108946C**  
 )  
**Applicant.** )

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

On September 9, 2019, the Consumer Affairs Division (“Division”) of the Department of Commerce and Insurance (“Department”), submitted a Petition to the Director alleging cause for refusing to issue a motor vehicle extended service contract producer license to Raymond Wesley Lord, II. After reviewing the Petition, the Investigative Report, and other relevant documents, the Director issues the following findings of fact, conclusions of law, and order:

**FINDINGS OF FACT**

1. Raymond Wesley Lord, II (“Lord”) is a Missouri resident with a residential address of record of 1938 Williamstown Drive, St. Peters, Missouri 63376.
2. On September 24, 2018, the Department of Insurance, Financial Institutions and Professional Registration<sup>1</sup> received Lord’s Application for Motor Vehicle Extended Service Contract Producer License (“2018 Application”).
3. The applicant’s attestation section of the 2018 Application reads, in relevant part:

<sup>1</sup> The Department of Insurance, Financial Institutions and Professional Registration is the predecessor agency to the Department of Commerce and Insurance. See Executive Order 19-02.

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. Lord signed the 2018 Application in front of a notary.

### **Criminal history**

5. Background Information Question Number 1 of the 2018 Application asks, in relevant part:

Have you ever been convicted of a crime, had a judgment withheld or deferred, received a suspended imposition of sentence (“SIS”) or suspended execution of sentence (“SES”), or are you currently charged with committing a crime?

6. Lord answered “Yes” to Background Information Question Number 1.
7. Lord attached two letters addressed to the Department of Insurance, Financial Institutions and Professional Registration to his 2018 Application. In one letter, Lord offers an explanation for his conviction for passing a bad check. In the other letter Lord offers an explanation for his stealing conviction.
8. The Division’s investigation revealed the following details regarding Lord’s felony convictions:

- a. On April 16, 2007, Lord pled guilty to the Class C Felony of Passing Bad Checks, in violation of § 570.120.<sup>2</sup> *State v. Raymond W. Lord*, St. Charles Co. Cir. Ct., Case No. 0611-CR02360-01. The court suspended the imposition of sentence and placed Lord on five years’ probation. *Id.* On May 19, 2008, the court revoked Lord’s probation and sentenced Lord to three years’ confinement. *Id.* The court suspended the execution of sentence, placed Lord on five years’ probation, and ordered 35 days of shock time and restitution. *Id.*

Lord revealed the details surrounding this conviction in an application for a motor vehicle extended service contract producer license that he filed with the Department of Insurance, Financial Institutions and Professional

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<sup>2</sup> All criminal statutory citations are to that version of RSMo in effect at the time of the commission of the crime.

Registration in 2016 (“2016 Application”). As part of his 2016 Application, Lord explained that he wrote a check to a jewelry store owner for a diamond tennis bracelet. *See In re: Raymond Wesley Lord, II*, DIFP Case No. 160408219C, issued June 30, 2016 (“2016 Refusal Order”) (attached as Exhibit A (without its attached exhibit)). Lord asserted that the owner agreed to hold onto the check for a few days before cashing it. *Id.* When the owner finally attempted to cash the check, the check was returned for insufficient funds. *Id.* Lord did not repay the money to the owner. *Id.* The Information in Lord’s felony passing bad checks case indicates that Lord wrote a check for \$6,451.92, knowing that it would not be paid. *Id.*

b. On July 10, 2008, Lord pled guilty to the Class C Felony of Theft/Stealing (Value of Property or Services is \$500 or More But Less than \$25,000), in violation of § 570.030. *State v. Raymond W. Lord*, St. Louis Co. Cir. Ct., Case No. 07SL-CR05936-01. The court sentenced Lord to five years’ incarceration, but suspended the execution of the sentence and placed Lord on supervised probation for three years, and ordered 30 days of shock time and 100 hours of community service. *Id.*

Lord also revealed the details surrounding this conviction in his 2016 Application. Lord used to work at Brentwood Volvo as the finance manager. *See 2016 Refusal Order; Exhibit A.* As finance manager, Lord handled customers’ personal and financial information. *Id.* Also while working as finance manager, Lord stole money orders that a customer provided to purchase a car; Lord used the money to pay his own bills. *Id.*

### **Administrative history**

9. Background Information Question Number 2 of the 2018 Application asks, in relevant part:

Have you ever been named or involved as a party in an administrative proceeding or action regarding any professional or occupational license or registration, or regarding the lack of such license or registration?

“Involved” means having a license censured, suspended, revoked, canceled, terminated or being assessed a fine, a voluntary forfeiture, a cease and desist order, a prohibition order, a consent order, or being placed on probation. “Involved” also means being named as a party to an administrative or arbitration proceeding which is related to a professional or occupational license or is related to the lack of such license. “Involved” also means having a license application denied or

the act of withdrawing an application to avoid a denial....

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

- a) a written statement identifying the type of license and explaining the circumstances of each incident,
- b) a copy of the Notice of Hearing or other document that states the charges and allegations, and
- c) a certified copy of the official document which demonstrates the resolution of the charges and/or a final judgment.

10. Lord answered “Yes” to Background Information Question Number 2. Contrary to the directions on the 2018 Application, Lord did not attach any documentation regarding administrative actions in which he was involved as part of his 2018 Application.
11. The Division’s investigation revealed various details regarding Lord’s administrative proceedings.
12. On December 2, 2011, the Department of Insurance, Financial Institutions and Professional Registration received Lord’s “Application for Motor Vehicle Extended Service Contract Producer License” (“2011 Application”). On March 14, 2012, the Director refused to issue a motor vehicle extended service contract producer license to Lord. The Director denied Lord’s 2011 Application for a motor vehicle extended service contract producer license pursuant to § 385.209.1(5) because Lord has been convicted of two felonies. *See In re: Raymond W. Lord, II*, DIFP Case No. 12-0202127C, “Order Refusing to Issue a Motor Vehicle Extended Service Contract Producer License,” issued March 14, 2012 (“2012 Refusal Order”) (attached as Exhibit B).
13. On March 16, 2012, Lord appealed the 2012 Refusal Order to the Administrative Hearing Commission (“Commission”). *Raymond W. Lord, II v. Dir. of Dep’t of Ins., Fin. Insts. and Prof’l Reg’n*, No. 12-0446 DI. Lord voluntarily dismissed his appeal on April 18, 2012, prior to any decision by the Commission. *Id.* The Commission ordered the case dismissed on April 19, 2012. *Id.*
14. On July 25, 2012 the Department of Insurance, Financial Institutions and Professional Registration received another application for a motor vehicle extended service contract producer license from Lord along with a letter from Lord’s attorney and various documents. On March 8, 2013, Lord withdrew this application from consideration.
15. On February 1, 2016, the Department of Insurance, Financial Institutions and Professional Registration received Lord’s 2016 Application for Motor Vehicle

Extended Service Contract producer license (“2016 Application”).

16. On February 23, 2016, Division Special Investigator Andrew Engler (“Engler”) sent a letter to Lord offering Lord the opportunity to withdraw his 2016 Application for a motor vehicle extended service contract producer license.
17. On March 29, 2016, Lord filed a Complaint with the Commission. Lord cited the February 23, 2016 letter from Engler and asserted that, except for the letter, the Director had failed to act on his 2016 Application. Lord sought to have the Commission order that the Director issue a motor vehicle extended service contract producer license to Lord. *Raymond Wesley Lord, II v. Dir. of Dep’t of Ins., Fin. Insts. and Prof’l Reg’n*, No. 16-2522 (Mo. Admin. Hrg. Comm’n August 25, 2016).
18. On April 8, 2016, the Director filed a Motion to Dismiss Lord’s Complaint. *Id.* On April 14, 2016, the Commission issued a Decision sustaining the Director’s Motion to Dismiss because the Commission had no jurisdiction to consider the matter. *Id.*
19. On May 13, 2016, Lord filed a Petition for Administrative Review in the Cole County Circuit Court of *Raymond Wesley Lord, II v. Dir. of Dep’t of Ins., Fin. Insts. and Prof’l Reg’n*, Case No. 16-2522 (Mo. Admin. Hrg. Comm’n August 25, 2016). *Raymond Wesley Lord, II v. Administrative Hearing Commission and John M. Huff, Dir. of Dep’t of Ins., Fin. Insts. and Prof’l Reg’n*, Cole Co. Cir. Ct., Case No. 16AC-CC00201. On August 2, 2016, the Director filed a Motion to Dismiss which the circuit court sustained on August 25, 2016. *Id.*
20. During the pendency of Lord’s action in the Cole County Circuit Court, *see id.*, the Director issued his “Order Refusing to Issue a Motor Vehicle Extended Service Contract Producer License,” as to Lord, denying Lord’s 2016 Application. 2016 Refusal Order; Exhibit A. The Director denied Lord’s 2016 Application because Lord:
  - a. attempted to obtain a license through material misrepresentation or fraud because he did not disclose the fact that he had been the subject of a bankruptcy proceeding as required by the application. In fact, at that time, Lord had been the subject of six bankruptcy proceedings. Failure to disclose each bankruptcy proceeding provided grounds for refusal under § 385.209.1(3);
  - b. attempted to obtain a license through material misrepresentation or fraud because he denied failing to pay state or federal income tax as required by the application even though he owed income tax debts to the United States and to the State of Illinois. In his 2015 bankruptcy petition, Lord indicated,

under oath, that he had outstanding income tax obligations due to the United States and to the State of Illinois. Lord's failure to disclose these tax debts in his 2016 Application provided grounds for refusal under § 385.209.1(3);

c. has been convicted of two felonies, which provided grounds for refusal under § 385.209.1(5);

d. has been found in violation of law by a court of competent jurisdiction in an action instituted by any officer of any state or the United States in any matter involving motor vehicle extended service contracts, financial services, investments, credit, insurance, banking or finance, in that Lord pled guilty to felony stealing for taking Brentwood Volvo customer money orders for his own use and Lord pled guilty to felony passing bad checks for writing a check to a jeweler for a diamond tennis bracelet that he ultimately did not pay, both of which provided grounds for refusal under § 385.209.1(7);

e. has previously been refused a license by a state regulator of service contracts, which provided grounds for refusal under § 385.209.1(9);

f. failed to comply with an administrative or court order directing payment of state or federal income tax, which provided grounds for refusal under § 385.209.1(13);

g. has been the subject of a bankruptcy petition (actually, as of the 2016 Refusal Order, Lord had been the subject of six bankruptcy petitions), which provided grounds for refusal under § 385.209.1(14).

*See id.*

21. On August 1, 2016, Lord appealed the 2016 Refusal Order to the Commission. *Raymond Wesley Lord, II v. Dir. of Dep't of Ins., Fin. Insts. and Prof'l Reg'n*, Case No. 16-3305 (Mo. Admin. Hrg. Comm'n March 29, 2017). On March 24, 2017, the Commission issued an "Order Granting Partial Summary Decision," finding that the Director had cause to refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(5), (7), (9), and (13). *Id.* On March 29, 2017, the Commission issued a Decision incorporating its March 24, 2017 Order. *Id.*
22. On or about November 2, 2017, the Department of Insurance, Financial Institutions and Professional Registration received Lord's electronic application for a resident insurance producer license ("2017 Insurance Application"). Lord listed his residential address as 1938 Williamstown Drive, St. Peters, Missouri 63376, and his business and mailing address as 2021 Goose Lake Road, Sauget, Illinois 62206.

23. The applicant's attestation section of the 2017 Insurance Application reads, in relevant part:

I hereby certify that, under penalty of perjury, 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.

24. Background Question Number 2 of the 2017 Insurance Application asks, in relevant part:

Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?

"Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned or surrendering a license to resolve an administrative action. "Involved" also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license, or registration. "Involved" also means having a license, or registration application denied or the act of withdrawing an application to avoid a denial.

25. Lord answered "No" to Background Question Number 2 on the 2017 Insurance Application.
26. Contrary to his "No" answer to Background Question Number 2 on the 2017 Insurance Application, Lord has a significant history of being involved in administrative proceedings, as set forth above.
27. It is inferable, and hereby found as fact, that Lord failed to disclose his prior involvement in various administrative proceedings in his 2017 Insurance Application in order to improve the chances that the Director would issue an insurance producer license to him.
28. On November 13, 2017, Division Special Investigator Karen Crutchfield ("Crutchfield") sent an inquiry letter to Lord at his business and mailing address of record, 2021 Goose Lake Road, Sauget, Illinois 62206. Crutchfield asked Lord to

provide a detailed statement explaining the circumstances underlying each of Lord's criminal convictions. Crutchfield also asked Lord to provide certified court documents for each conviction on Lord's record.

29. Also in her November 13, 2017 letter, Crutchfield noted that Lord had answered Background Question Number 2, regarding administrative actions, "No." Crutchfield indicated that it appeared that Lord had licenses denied multiple times, and that he withdrew his application on one occasion. Crutchfield asked Lord to explain his "No" answer to this question.
30. Also in her November 13, 2017 letter, Crutchfield noted that in its March 24, 2017 "Order Granting Partial Summary Decision" in *Lord v. Dir. of Dep't of Ins., Fin. Insts., and Prof'l Reg'n*, Case No. 16-3305 (Mo. Admin. Hrg. Comm'n March 29, 2017), the Commission indicated that Lord owed taxes to the Internal Revenue Service and the State of Illinois, and that payment was to be made to a bankruptcy trustee in the amount of \$1,400.00 per month for 48 months, then \$820.00 per month for 12 months. Crutchfield noted that Lord's bankruptcy petition was dismissed for failure to make plan payments. Crutchfield asked Lord to provide an updated copy of his payment history for both the Internal Revenue Service and for the Illinois taxes owed.
31. Finally, in her November 13, 2017 letter, Crutchfield indicated that Lord's response was due within twenty days, and that his "failure to respond by the due date could be a violation of the law and a ground for discipline of your license."
32. Crutchfield's November 13, 2017 letter was not returned to the Department as undeliverable and, therefore, it is presumed to have been received by Lord.
33. Lord did not respond to Crutchfield's November 13, 2017 inquiry letter nor did Lord demonstrate reasonable justification for delay.
34. On December 8, 2017, Crutchfield sent another inquiry letter to Lord at his business and mailing address of record, via both first class mail and certified mail from the United States Post Office. This letter was captioned "Second Notice," and it contained the same inquiries as did her letter of November 13, 2017. Crutchfield also sent copies of this December 8, 2017 inquiry letter, captioned "Second Notice," to Lord at his residential address of record, 1938 Williamstown Drive, St. Peters, Missouri 63376, via both first class mail and certified mail from the United States Post Office. Crutchfield once again cautioned that Lord's "failure to respond by the due date could be a violation of the law and a ground for discipline of your license."
35. The December 8, 2017 inquiry letters sent via first class mail to Lord's business

and mailing address and his residential address were not returned to the Department as undeliverable and, therefore, are presumed to have been received by Lord.

36. On January 3, 2018, Lord emailed Crutchfield and indicated that he had received Crutchfield's request for additional documentation. Lord indicated that he was working on obtaining that documentation, but would need additional time to do so. Crutchfield responded via email on January 4, 2018 and indicated that she would grant Lord an extension of three weeks to provide the documentation, or by January 25, 2018. Crutchfield asked Lord to confirm receipt of this due date and noted that if Lord needed further, additional time, he could request another extension.
37. On January 25, 2018, Lord emailed Crutchfield again and asked for additional time to respond with the requested documents. On January 29, 2018, Crutchfield emailed Lord and asked how much time Lord would need and to explain why the additional time was required. On February 4, 2018, Lord emailed Crutchfield and indicated that "[t]he biggest issue has been the age of the infractions, and waiting on the ordered documentation." Lord requested until February 28, 2018 to provide the requested documentation. Crutchfield emailed Lord and said that she was awaiting Lord's "full response with documents on or before February 28, 2018."
38. On February 28, 2018, Lord emailed Crutchfield and indicated that he had obtained the documentation that she had requested, but he needed an additional seven days to get those documents to Crutchfield. Also on February 28, 2018, Crutchfield emailed Lord and indicated that she had granted that extension of one week (until March 7, 2018).
39. On March 13, 2018, Crutchfield emailed Lord and indicated that as of that date, she had not received the documents that Lord said he was going to send. Crutchfield asked Lord to advise if and when he mailed the requested documents to Crutchfield. Lord did not respond to this email and never provided the requested documentation.
40. On September 10, 2018, Lord withdrew his 2017 Insurance Application from consideration.

### **Bankruptcy history**

41. Background Information Question Number 3 of the 2018 Application asks:

Has any demand been made or judgment rendered against you or any business of which you are or were an owner, partner, officer or director, or member or manager of a Limited Liability Company, for overdue monies by a provider, an administrator, an insurer, an

insured, or a producer?

**Have you or any business of which you are or were an owner, partner, officer or director, or member or manager of a Limited Liability Company ever been subject to a bankruptcy proceeding?**

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 the demand or judgment,
- b) a certified copy of the judgment, a copy of the demand, and copies of any other relevant documents,
- c) a certified copy of the official document which demonstrates the resolution of the demand or judgment,
- d) a written statement detailing the case number, type of bankruptcy, the court it was filed before and summarizing the details of the indebtedness and arrangements for repayment,
- e) a certified copy of the “Notice of Bankruptcy” or its equivalent, and
- f) a certified copy of the “Order Discharging Debtor” or its equivalent.

(Emphasis supplied).

42. Lord answered “No” to Background Information Question Number 3 on the 2018 Application.
43. Contrary to Lord’s “No” answer to Background Information Question Number 3 on the 2018 Application, Lord has been the subject of numerous bankruptcy proceedings, as follows:
  - a. Lord filed for Chapter 13 protection in *In re: Raymond W. Lord*, No. 4:03-bk-52002 (U.S. Bankruptcy Ct. E.D. Mo.), filed September 9, 2003, dismissed April 14, 2004 (“2003 Bankruptcy”).
  - b. Lord filed for Chapter 13 protection in *In re: Raymond W. Lord*, No. 4:04-bk-47252 (U.S. Bankruptcy Ct. E.D. Mo.), filed June 3, 2004, dismissed August 6, 2004.
  - c. Lord filed for Chapter 13 protection in *In re: Raymond W. Lord*, No. 4:04-bk-51905 (U.S. Bankruptcy Ct. E.D. Mo.), filed September 20, 2004, dismissed February 24, 2005.
  - d. Lord filed for Chapter 13 protection in *In re: Raymond W. Lord*, No.

4:05-bk-42740 (U.S. Bankruptcy Ct. E.D. Mo.), filed March 7, 2005, dismissed August 24, 2006.

e. Lord filed for Chapter 13 protection in *In re: Raymond W. Lord*, No. 4:11-bk-44493 (U.S. Bankruptcy Ct. E.D. Mo.), filed April 29, 2011, dismissed April 10, 2014.

f. Lord filed for Chapter 13 protection in *In re: Raymond Wesley Lord, II*, No. 4:15-bk-48767 (U.S. Bankruptcy Ct. E.D. Mo.), filed November 20, 2015, dismissed June 9, 2016 (“2015 Bankruptcy”).

g. Lord filed for Chapter 13 protection in *In re: Raymond Wesley Lord, II*, No. 4:16-bk-46031 (U.S. Bankruptcy Ct. E.D. Mo.), filed August 22, 2016, dismissed Dec. 7, 2017 (“2016 Bankruptcy”).

*See also* 2016 Refusal Order; Exhibit A.

44. Save for his 2003 Bankruptcy, all of Lord’s bankruptcies have occurred within the past fifteen years (from the date of the filing of his 2018 Application on September 24, 2018).

45. The applicant’s attestation section of the 2016 Application reads, in relevant part:

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.

46. Background Information Question Number 3 of the 2016 Application asks:

Has any demand been made or judgment rendered against you or any business of which you are or were an owner, partner, officer or director, or member or manager of a Limited Liability Company, for overdue monies by a provider, an administrator, an insurer, an insured, or a producer?

**Have you or any business of which you are or were an owner, partner, officer or director, or member or manager of a Limited Liability Company ever been subject to a bankruptcy proceeding?**

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 the demand or judgment,
- b) a certified copy of the judgment, a copy of the demand, and copies of any other relevant court documents,
- c) a certified copy of the official document which demonstrates the resolution of the demand or judgment,
- d) a written statement detailing the case number, the type of bankruptcy, the court it was filed before and summarizing the details of the indebtedness and arrangements for repayment,
- e) a certified copy of the “Notice of Bankruptcy” or its equivalent, and
- f) a certified copy of the “Order Discharging Debtor” or its equivalent.

(Emphasis supplied).

47. Lord answered “No” to Background Information Question Number 3 on the 2016 Application.
48. Contrary to Lord’s “No” answer to Background Information Question Number 3 on the 2016 Application, Lord has been the subject of numerous bankruptcy proceedings. *See* ¶ 43, *supra*.
49. It is inferable, and hereby found as fact, that Lord failed to disclose his numerous bankruptcy proceedings in his 2018 Application and his 2016 Application in order to improve the chances that the Director would issue a motor vehicle extended service contract producer license to him.

### **Tax history**

50. The applicant’s attestation section of the 2018 Application reads, in relevant part:

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.

51. Background Information Question Number 4 of the 2018 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.).

52. Lord answered "Yes" to Background Information Question Number 4. Contrary to the directions on the 2018 Application, Lord did not attach any documentation to his 2018 Application regarding his tax indebtedness.

53. The Division's investigation revealed the following regarding Lord's tax indebtedness:

In Lord's 2016 Bankruptcy Petition, Lord listed tax indebtedness to the IRS, to the Missouri Department of Revenue, and to the State of Illinois. Lord signed the Petition and schedules listing these tax debts, both under penalty of perjury. Lord indicated that he owes a total of \$10,546.06 to the IRS, with \$3,018.00 of that being for the 2012 tax year and \$7,023.06 being a "penalty for no insurance year 2014." Lord indicated that he owes the Missouri Department of Revenue \$1,971.57 for the 2015 tax year. Finally, Lord indicated that he owes the State of Illinois a total of \$786.30, with \$296.41 owed for the 2013 tax year and \$489.89 owed for the 2014 tax year.

54. The applicant's attestation section of the 2016 Application reads, in relevant part:

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 of 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.

\* \* \*

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.

55. Background Information Question Number 4 of the 2016 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.).

56. Lord answered "No" to Background Information Question Number 4 on the 2016 Application.

57. Contrary to Lord's "No" answer to Background Information Question Number 4 on the 2016 Application, Lord had tax debts. The Division's investigation revealed the following regarding his tax debts:

In his 2015 Bankruptcy Petition, Lord listed tax indebtedness to the IRS and to the State of Illinois. Lord signed a declaration indicating that the schedule listing these tax debts was true, under penalty of perjury. Lord indicated that he owes a total of \$10,546.06 to the IRS, with \$3,018.00 of that being for the 2012 tax year and \$7,023.06 being a "penalty for no insurance year 2014." Lord also indicated that he owes the State of Illinois a total of \$786.30, with \$296.41 owed for the 2013 tax year and \$489.89 owed for the 2014 tax year.

58. Background Question Number 4 of the 2017 Insurance Application asks, in relevant part:

Have you been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement? If you answer yes, identify the jurisdiction(s).

59. Lord answered “No” to Background Question Number 4 on the 2017 Insurance Application.
60. Contrary to Lord’s “No” answer to Background Question Number 4 on the 2017 Insurance Application, Lord had tax debts. *See* ¶ 53, *supra* (tax debts Lord listed on his 2016 Bankruptcy Petition).
61. It is inferable, and hereby found as fact, that Lord failed to disclose his tax debts in his 2016 Application and his 2017 Insurance Application in the hopes that the Director would look more favorably upon both applications and issue a license to him in each instance.
62. The Director is a state regulator of service contracts.

### CONCLUSIONS OF LAW

63. Section 385.209.1<sup>3</sup> 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:

\* \* \*

(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;

\* \* \*

(5) Been convicted of any felony;

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<sup>3</sup> This and all further civil statutory references are to RSMo 2016.

(6) Used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere;

(7) Been found in violation of law by a court of competent jurisdiction in an action instituted by any officer of any state or the United States in any matter involving motor vehicle extended service contracts, financial services, investments, credit, insurance, banking, or finance;

\* \* \*

(9) Been refused a license or had a license revoked or suspended by a state or federal regulator of service contracts, financial services, investments, credit, insurance, banking, or finance;

\* \* \*

(13) Failed to comply with any administrative or court order directing payment of state or federal income tax; [or]

(14) Has within the last fifteen years been declared insolvent by the director or a motor vehicle extended service contract regulator of another state or has been the subject of a bankruptcy petition.

64. 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.

65. "There is a presumption that a letter duly mailed has been received by the addressee." *Clear v. Missouri Coordinating Bd. for Higher Educ.*, 23 S.W.3d 896, 900 (Mo. App. E.D. 2000) (internal citation omitted).
66. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(2) because Lord violated a rule of the Director, to wit: 20 CSR 100-4.100(2)(A), in that Lord failed to timely or

adequately respond to inquiry letters from the Division dated November 13, 2017 and December 8, 2017. Lord did not respond to the November 13, 2017 inquiry at all, nor demonstrate any reasonable justification for delay. Lord emailed Crutchfield after the time for responding to the December 8, 2017 inquiry letter had expired, and asked for numerous extensions to provide documents, but ultimately produced nothing.

67. Each violation of a rule of the Director constitutes a separate and sufficient ground to refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(2).
68. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(3) because Lord obtained or attempted to obtain a license through material misrepresentation or fraud, in that in the 2017 Insurance Application, Lord answered “No” in response to Background Question No. 2 regarding whether he had ever been named or involved as a party in an administrative proceeding when, in fact, Lord has been a party to several administrative proceedings:
  - a. The Director refused Lord’s 2011 Application, *In re: Raymond W. Lord, II*, DIFP Case No. 12-0202127C, and Lord appealed the refusal to the Commission. *Raymond W. Lord, II v. Dir. of Dep’t of Ins., Fin. Insts. and Prof’l Reg’n*, Case No. 12-0446 DI (Mo. Admin. Hrg. Comm’n April 19, 2012).
  - b. In 2012, Lord submitted another motor vehicle extended service contract producer license application to the Department, but ultimately withdrew it.
  - c. In 2016, Lord filed another application for a motor vehicle extended service contract producer license. When the Director offered Lord an opportunity to withdraw his 2016 Application, Lord filed a case in the Commission, alleging that the Director had failed to act on his 2016 Application and asking the Commission to order the Director to issue Lord a motor vehicle extended service contract producer license. *Raymond Wesley Lord, II v. Dir. of Dep’t of Ins., Fin. Insts. and Prof’l Reg’n*, No. 16-2522 (Mo. Admin. Hrg. Comm’n April 14, 2016). After the Commission dismissed this case, Lord filed a Petition for Administrative Review in circuit court. *Raymond Wesley Lord, II v. Administrative Hearing Commission and John M. Huff, Dir. of Dep’t of Ins., Fin. Insts. and Prof’l Reg’n*, Cole Co. Cir. Ct., Case No. 16AC-CC00201.
  - d. When the Director denied Lord’s 2016 Application, *In re: Raymond*

*Wesley Lord, II*, DIFP Case No. 160408219C, Lord again appealed to the Commission. *Raymond Wesley Lord, II v. Dir. of Dep't of Ins., Fin. Insts. and Prof'l Reg'n*, No. 16-3305 (Mo. Admin. Hrg. Comm'n March 29, 2017).

69. Manifestly, Lord has been named or involved as a party in an administrative proceeding many times over, notwithstanding his “No” answer to Background Question No. 2 on the 2017 Insurance Application.
70. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(3) because Lord attempted to obtain a license through material misrepresentation or fraud. In the 2016 Application (to obtain a motor vehicle extended service contract producer license), Lord did not disclose the fact that he had been the subject of a bankruptcy proceeding, as required by the application. *In re: Raymond Wesley Lord, II*, DIFP Case No. 160408219C, Exhibit A. Lord did not disclose that he had, by that time, been the subject of six bankruptcy proceedings. *Id.*
71. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(3) because Lord attempted to obtain a license through material misrepresentation or fraud. In his 2018 Application, Lord answered “No” to Background Information Question Number 3 which asked, among other things, whether Lord had been the subject of a bankruptcy proceeding. Lord has been the subject of numerous bankruptcy proceedings, but he failed to disclose them. *See* ¶ 53, *supra*.
72. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(3) because Lord attempted to obtain a license through material misrepresentation or fraud. In his 2015 Bankruptcy Petition, Lord indicated that he owed tax debts to the United States and the State of Illinois. But in the 2016 Application, Lord failed to disclose any such debts, even though the application asked about tax indebtedness. *In re: Raymond Wesley Lord, II*, DIFP Case No. 160408219C, Exhibit A.
73. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(3) because Lord attempted to obtain a license through material misrepresentation or fraud. In his 2016 Bankruptcy Petition, Lord indicated that he owed tax debts to the United States, the Missouri Department of Revenue, and the State of Illinois. But in the 2017 Insurance Application, Lord failed to disclose any such debt, even though the application asked about tax indebtedness.
74. Each attempt to obtain a license through material misrepresentation or fraud constitutes a separate and sufficient ground to refuse to issue a motor vehicle

extended service contract producer license to Lord under § 385.209.1(3).

75. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(5) because Lord has been convicted of two felonies, as follows:
- a. On April 16, 2007, Lord pled guilty to the Class C Felony of Passing Bad Checks, in violation of § 570.120. *State v. Raymond W. Lord*, St. Charles Co. Cir. Ct., Case No. 0611-CR02360-01. The Court suspended the imposition of sentence and placed Lord on five years' probation. *Id.* On May 19, 2008, the court revoked Lord's probation and sentenced Lord to three years' confinement. *Id.* The court suspended the execution of sentence, placed Lord on five years' probation, and ordered 35 days of shock time and restitution. *Id.*
  - b. On July 10, 2008, Lord pled guilty to the Class C Felony of Theft/Stealing (Value of Property or Services is \$500 or More But Less than \$25,000), in violation of § 570.030. *State v. Raymond W. Lord*, St. Louis Co. Cir. Ct., Case No. 07SL-CR05936-01. The court sentenced Lord to five years' incarceration, but suspended the execution of the sentence, placed Lord on supervised probation for three years, and ordered 30 days of shock time and 100 hours of community service. *Id.*
76. Each conviction of a felony constitutes a separate and sufficient ground for the Director to refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(5).
77. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(6) because Lord used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere. Lord wrote a check to a jeweler for over \$6,000.00 with insufficient funds. Lord could not make the check good and was charged with and pled guilty to felony passing bad checks. Lord used fraudulent and dishonest practices and demonstrated untrustworthiness and financial irresponsibility in the conduct of business in this state.
78. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(6) because Lord used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere. While he was the finance manager at Brentwood Volvo, Lord stole customer money orders that the customer intended for the purchase of a car and used them

for his own bills. Lord used fraudulent and dishonest practices and demonstrated untrustworthiness and financial irresponsibility in the conduct of business in this state.

79. Each time Lord used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere, constitutes a separate and sufficient ground for the Director to refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(6).
80. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(7) because Lord has been found in violation of the law by a court of competent jurisdiction in an action instituted by any officer of any state or the United States in any matter involving motor vehicle extended service contracts, financial services, investments, credit, insurance, banking, or finance. In 2007, Lord pled guilty to the Class C Felony of Passing Bad Checks, based upon an incident where Lord wrote a check to a jewelry store for a diamond tennis bracelet for \$6,451.92, knowing that it would not be paid. The case was initiated by an Assistant Prosecuting Attorney for St. Charles County on behalf of the state and St. Charles County was a court of competent jurisdiction. Lord's conviction for passing a bad check involves financial services, banking, and finance.
81. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(7) because Lord has been found in violation of law by a court of competent jurisdiction in an action instituted by any officer of any state or the United States in any matter involving motor vehicle extended service contracts, financial services, investments, credit, insurance, banking or finance. In 2008, Lord pled guilty to the Class C Felony of Theft/Stealing (Value of Property or Services is \$500 or More But Less than \$25,000), based upon a theft from Brentwood Volvo, where Lord previously worked as a finance manager. More particularly, Lord stole two customer money orders, that the customer intended to be put towards the purchase of a car, but Lord took the money orders and used them to pay his own bills. The case was initiated by an Assistant Prosecuting Attorney for St. Louis County on behalf of the state and St. Louis County was a court of competent jurisdiction. Lord's conviction for stealing customer money orders, obtained while Lord worked as finance manager at a car dealership, involves financial services, credit, and finance.
82. Each time Lord has been found in violation of law by a court of competent jurisdiction in an action instituted by any officer of any state or the United States in any matter involving motor vehicle extended service contracts, financial services, investments, credit, insurance, banking or finance constitutes a separate

and sufficient ground for the Director to refuse to issue a motor vehicle extended service contract producer to Lord under § 385.209.1(7).

83. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(9) because Lord has been refused a license or had a license revoked or suspended by a state or federal regulator of service contracts, financial services, investments, credit, insurance, banking, or finance. On March 14, 2012, in the 2012 Refusal Order, the Director, the Missouri state regulator of service contracts, refused to issue a motor vehicle extended service contract producer license to Lord pursuant to § 385.209.1(5). *See Exhibit B.* On June 20, 2016, the Director, the Missouri state regulator of service contracts, refused to issue a motor vehicle extended service contract producer license to Lord pursuant to § 385.209.1(5), (7), (9), and (13). *See ¶¶ 20 and 21, supra.*
84. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(13) because Lord has failed to comply with any administrative or court order directing the payment of state or federal income tax. In his 2016 Bankruptcy Petition, Lord indicated, under penalty of perjury, that he owed a total of \$10,546.06 to the IRS, \$1,971.57 to the Missouri Department of Revenue, and a total of \$786.30 to the State of Illinois.
85. The Director may refuse to issue a motor vehicle extended service contract producer license to Lord under § 385.209.1(14) because Lord has been the subject of a bankruptcy petition within the last fifteen years. In fact, Lord has been the subject of six bankruptcies within the past fifteen years.
86. The above-described instances are grounds upon which the Director may refuse to issue a motor vehicle extended service contract producer license to Lord. Lord has been convicted of two felonies, both of which involved fraudulent and dishonest practices and demonstrated untrustworthiness and financial irresponsibility in the conduct of business in this state. On his 2017 Insurance Application, Lord denied that he had been named or involved as a party in an administrative proceeding when, in fact, Lord has been involved in numerous such proceedings since 2012. In his 2016 Application for a motor vehicle extended service contract producer license, Lord said he did not owe state or federal taxes even though he indicated in his 2015 Bankruptcy proceeding that he owed taxes to the United States and the State of Illinois. Similarly, in his 2017 Insurance Application, Lord failed to disclose tax debts to the IRS, the State of Illinois and the Missouri Department of Revenue that he listed on his 2016 Bankruptcy Petition. When the Division sent two inquiry letters to Lord to obtain more information about the obvious discrepancies in Lord's 2017 Insurance Application, Lord failed to adequately or timely respond to either inquiry letter and ultimately never provided the requested documentation. Finally, in both his 2018 Application and in his 2016 Application,

Lord answered “No” to Background Information Question Number 3 regarding bankruptcies, even though he has been the subject of a bankruptcy numerous times within the past fifteen years.

87. The Director has considered Lord’s history and all of the circumstances surrounding Lord’s 2018 Application. Issuing a motor vehicle extended service contract producer license to Lord would not be in the interest of the public. Accordingly, the Director exercises her discretion to refuse to issue Lord a motor vehicle extended service contract producer license.
88. This Order is in the public interest.

**ORDER**

**IT IS THEREFORE ORDERED** that the motor vehicle extended service contract producer license Application of **Raymond Wesley Lord, II**, is hereby **REFUSED**.

**SO ORDERED. WITNESS MY HAND THIS** 20<sup>th</sup> **DAY OF**  
November, 2019.



*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 20th day of November, 2019, 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 addresses:

Raymond Wesley Lord, II  
1938 Williamstown Drive  
St. Peters, MO 63376

Tracking No. 1Z0R15W84290538096



Kathryn Latimer, Paralegal  
Missouri Department of Insurance, Financial  
Institutions and Professional Registration  
301 West High Street, Room 530  
Jefferson City, Missouri 65101  
Telephone: 573.751.2619  
Facsimile: 573.526.5492  
Email: Kathryn.latimer@insurance.mo.gov



**State of Missouri**

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

**IN RE:** )  
 )  
**RAYMOND WESLEY LORD, II,** ) **Case No. 160408219C**  
 )  
**Applicant.** )

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

On June 29, 2016, 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 Raymond Wesley Lord, II. 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. Raymond Wesley Lord, II (“Lord”), is a Missouri resident with a residential address of 1938 Williamstown Drive, St. Peters, Missouri 63376.
2. On February 1, 2016, the Department of Insurance, Financial Institutions and Professional Registration (“Department”) received Lord’s “Application for Motor Vehicle Extended Service Contract Producer License” (“Application”).
3. The “Applicant’s Certification and Attestation” section of the Application reads, in relevant part:

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.

\* \* \*

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.

4. Lord signed the Application under oath and before a notary.
5. Background Information Question No. 1 of the Application asks, in relevant part:

Have you ever been convicted of a crime, had a judgment withheld or deferred, received a suspended imposition of sentence (“SIS”) or suspended execution of sentence (“SES”), or are you currently charged with committing a crime?

\* \* \*

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

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

6. Lord answered “Yes” to Background Information Question No. 1.
7. Lord disclosed the following convictions:

a. On April 16, 2007, Lord pled guilty to the Class C Felony of Passing Bad Checks, in violation of § 570.120.<sup>1</sup> The court suspended the imposition of sentence and placed Lord on five years’ probation. On May 19, 2008, the court revoked Lord’s probation and sentenced Lord to three years’ confinement. The court suspended the execution of sentence, placed Lord on five years’ probation, and ordered 35 days of shock time and restitution. *State v. Raymond W. Lord*, St. Charles Co. Cir. Ct., Case No. 0611-CR02360-01.

b. On July 10, 2008, Lord pled guilty to the Class C Felony of Theft/Stealing (Value of Property or Services is \$500 or More But Less than \$25,000), in violation of § 570.030. The court sentenced Lord to five

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<sup>1</sup> All criminal statutory citations are to that version of RSMo in effect at the time of the commission of the crime.

years' incarceration, but suspended the execution of the sentence and placed Lord on supervised probation for three years, and ordered 30 days of shock time and 100 hours of community service. *State v. Raymond W. Lord*, St. Louis Co. Cir. Ct., Case No. 07SL-CR05936-01.

8. Lord attached a letter from his former counsel to his Application as Exhibit 2, and adopted as his own the explanations contained therein. The letter provides details of the circumstances surrounding his stealing conviction. In particular, the letter indicates that Lord used to work at Brentwood Volvo as the finance manager. As finance manager, Lord handled customers' personal and financial information. Also while working as finance manager, Lord stole money orders that a customer provided to purchase a car; Lord used the money orders to pay his own bills.
9. The letter that Lord attached to his Application also provides details of the circumstances surrounding Lord's conviction for felony passing bad checks. The letter indicates that Lord wrote a check to a jewelry store owner for a diamond tennis bracelet. The owner agreed to hold onto the check for a few days before cashing it. When the owner finally attempted to cash the check, the check was returned for insufficient funds. Lord was unable to repay the money to the owner. The Information in Lord's felony passing bad checks case indicates that Lord wrote a check for \$6,451.92, knowing that it would not be paid.
10. Background Information Question No. 2 of the Application asks, in relevant part:

Have you ever been named or involved as a party in an administrative proceeding or action regarding any professional or occupational license or registration, or regarding the lack of such license or registration?

\* \* \*

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

- a) a written statement identifying the type of license and explaining the circumstances of each incident,
  - b) a copy of the Notice of Hearing or other document that states the charges and allegations, and
  - c) a certified copy of the official document which demonstrates the resolution of the charges and/or a final judgment.
11. Lord answered "Yes" to Background Information Question No. 2.
  12. On December 2, 2011, Lord filed an "Application for Motor Vehicle Extended Service Contract Producer License" ("2011 Application"). On March 14, 2012,

the Director refused to issue a Motor Vehicle Extended Service Contract ("MVESC") producer license to Lord. The Director denied Lord's 2011 Application for an MVESC producer license pursuant to § 385.209.1(5) because Lord had been convicted of two felonies. *See In re: Raymond W. Lord, II*, Case No. 12-0202127C, "Order Refusing to Issue a Motor Vehicle Extended Service Contract Producer License," issued March 14, 2012 ("2012 Refusal Order") (attached as Exhibit A).

13. Background Information Question No. 3 of the Application asks, in relevant part:

\* \* \*

Have you or any business of which you are or were an owner, partner, officer or director, or member or manager of a Limited Liability Company ever been subject to a bankruptcy proceeding?

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

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

\* \* \*

d) a written statement detailing the case number, type of bankruptcy, the court it was filed before and summarizing the details of the indebtedness and arrangements for repayment,

e) a certified copy of the "Notice of Bankruptcy" or its equivalent, and

f) a certified copy of the "Order Discharging Debtor" or its equivalent.

14. Lord answered "No" to Background Information Question No. 3.

15. Lord has been the subject of bankruptcy petitions, as follows:

a. Lord filed for Chapter 13 protection in *In re: Raymond W. Lord*, No. 4:03-bk-52002 (U.S. Bankruptcy Ct. E.D. Mo.), filed September 9, 2003, dismissed April 14, 2004.

b. Lord filed for Chapter 13 protection in *In re: Raymond W. Lord*, No. 4:04-bk-47252 (U.S. Bankruptcy Ct. E.D. Mo.), filed June 3, 2004, dismissed August 6, 2004.

c. Lord filed for Chapter 13 protection in *In re: Raymond W. Lord*, No. 4:04-bk-51905 (U.S. Bankruptcy Ct. E.D. Mo.), filed September 20, 2004,

dismissed February 24, 2005.

d. Lord filed for Chapter 13 protection in *In re: Raymond W. Lord*, No. 4:05-bk-42740 (U.S. Bankruptcy Ct. E.D. Mo.), filed March 7, 2005, dismissed August 24, 2006.

e. Lord filed for Chapter 13 protection in *In re: Raymond W. Lord*, No. 4:11-bk-44493 (U.S. Bankruptcy Ct. E.D. Mo.), filed April 29, 2011, dismissed April 10, 2014.

f. Lord filed for Chapter 13 protection in *In re: Raymond Wesley Lord, II*, No. 4:15-bk-48767 (U.S. Bankruptcy Ct. E.D. Mo.), filed November 20, 2015, dismissed June 9, 2016. Lord filed this bankruptcy petition less than three (3) months before he filed his Application and the bankruptcy proceeding was pending when he filed his Application. The bankruptcy court dismissed this case for failure to make plan payments. *Id.*

In its order dismissing the bankruptcy case for failure to make plan payments, the court also indicated that “the automatic stays of 11 USC § 362 are hereby terminated.” *Id.* Pursuant to the local rules for the U.S. Bankruptcy Court for the Eastern District, a debtor has fourteen (14) days after entry of an order dismissing the case for failure to make plan payments to file a motion to reinstate and set aside the dismissal. L.R. 1017-3 (U.S. Bankruptcy Ct. E.D. Mo.). Under that rule, Lord had until June 23, 2016 to file such a motion; as of June 28, 2016, Lord had not done so. *In re: Raymond Wesley Lord, II*, No. 4:15-bk-48767 (U.S. Bankruptcy Ct. E.D. Mo.).

16. Background Information Question No. 4 of the Application asks, in relevant part:

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.”

17. Lord answered “No” to Background Information Question No. 4.

18. As previously stated, Lord filed his 2015 Voluntary Petition for Chapter 13 bankruptcy (“2015 Voluntary Petition”) on November 20, 2015. *In re: Raymond Wesley Lord, II*, No. 4:15-bk-48767 (U.S. Bankruptcy Ct. E.D. Mo.). Lord signed

his 2015 Voluntary Petition electronically more than once, declaring under penalty of perjury that the information contained in the 2015 Voluntary Petition, the schedules, and the statement of financial affairs was true and correct.

19. In Schedule E of the 2015 Voluntary Petition, entitled, “Creditors Holding Unsecured Priority Claims” (capitalization in original omitted), Lord listed two creditors – the Internal Revenue Service and the State of Illinois. Lord indicated that he owed the following:

Internal Revenue Service	Income Tax	2012	\$3,018.00
Internal Revenue Service	Income Tax	2014	\$505.00
			Total: \$10,546.06
Internal Revenue Service	Penalty for no Insurance	2014	\$7,023.06
State of Illinois	Income Tax	2013	\$296.41
State of Illinois	Income Tax	2014	\$489.89
			Total: \$786.30

*In re: Raymond Wesley Lord, II*, No. 4:15-bk-48767 (U.S. Bankruptcy Ct. E.D. Mo.).

20. The bankruptcy claim records in Lord’s most recent bankruptcy case reveal the following:
- a. The United States Department of Treasury, Internal Revenue Service (“IRS”), filed, under penalty of perjury, its claim that Lord owed \$10,897.95 in taxes.<sup>2</sup>
  - b. The State of Illinois filed, under penalty of perjury, its claim that Lord owed \$819.39 in taxes.

*In re: Raymond Wesley Lord, II*, No. 4:15-bk-48767 (U.S. Bankruptcy Ct. E.D. Mo.) (Claims Register and Proof of Claim forms).

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<sup>2</sup> On the attachment to its proof of claim form, the IRS indicates that, of the amount Lord owes, \$505.00 is due for “excise” and \$0.75 is due for interest to petition date on that excise amount. On information and belief, this amount represents the amount owed under the Affordable Care Act for failure to have health insurance. See 26 U.S.C. § 5000A.

21. Lord submitted a Chapter 13 Plan ("Plan") to the bankruptcy court outlining how he proposed to pay his debts. The Plan required Lord to make monthly payments to the court. The Plan also required the bankruptcy trustee to disburse the money that Lord paid to the court to various creditors, among them, the United States (\$10,546.06) and the State of Illinois (\$786.30), who held priority claims. The bankruptcy court certified and ordered the payment of the taxes by confirming Lord's Plan. *In re: Raymond Wesley Lord, II*, No. 4:15-bk-48767 (U.S. Bankruptcy Ct. E.D. Mo.) (Chapter 13 Plan and Certification and Order of Confirmation for Chapter 13 Plan).
22. It is inferable, and hereby found as fact, that Lord failed to disclose his prior bankruptcies in his Application, and, in particular, his 2015 Voluntary Petition and bankruptcy, so that the Director would not discover the bankruptcies and his outstanding tax obligations to the United States and to the State of Illinois and in order to improve the chances that the Director would issue a license to him.
23. It is inferable, and hereby found as fact, that Lord failed to disclose his tax obligations in his Application in order to improve the chances that the Director would issue a license to him.
24. The Director is a state regulator of service contracts.

**CONCLUSIONS OF LAW**

25. Section 385.209.1, RSMo Supp. 2013,<sup>3</sup> 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:

\* \* \*

- (3) Obtained or attempted to obtain a license through material misrepresentation or fraud;

\* \* \*

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<sup>3</sup> All further civil statutory references are to RSMo Supp. 2013 unless otherwise indicated.

**(5) Been convicted of any felony;**

**\* \* \***

**(7) Been found in violation of law by a court of competent jurisdiction in an action instituted by any officer of any state or the United States in any matter involving motor vehicle extended service contracts, financial services, investments, credit, insurance, banking, or finance;**

**\* \* \***

**(9) Been refused a license or had a license revoked or suspended by a state or federal regulator of service contracts, financial services, investments, credit, insurance, banking, or finance;**

**\* \* \***

**(13) Failed to comply with any administrative or court order directing payment of state or federal income tax; [or]**

**(14) Has within the last fifteen years been declared insolvent by the director or a motor vehicle extended service contract regulator of another state or has been the subject of a bankruptcy petition.**

- 26. The Director may refuse to issue an MVEESC producer license to Lord under § 385.209.1(3) because Lord attempted to obtain a license through material misrepresentation or fraud. In his Application, Lord answered “No” in response to Background Information Question No. 3 regarding whether he had ever been the subject of a bankruptcy proceeding. Lord did not disclose that he has been the subject of several bankruptcy proceedings, in 2003, twice in 2004, 2005, 2011, and 2015.**
- 27. The Application required Lord to disclose each and every bankruptcy proceeding and to attach to his Application “a written statement detailing the case number, type of bankruptcy, the court it was filed before and summarizing the details of the indebtedness and arrangements for repayment” for each such bankruptcy proceeding. Further, and also for each bankruptcy, the Application required Lord to attach certified copies of the “Notice of Bankruptcy” or its equivalent and the “Order Discharging Debtor” or its equivalent.**

28. Lord did not provide any such statements or certified or other records regarding any of his six (6) bankruptcy proceedings with his Application.
29. Since Lord was required to disclose each bankruptcy proceeding, the failure to disclose each one of his six (6) bankruptcies is a separate attempt to obtain a license through material misrepresentation or fraud under § 385.209.1(3).
30. The Director may refuse to issue an MVESC producer license to Lord under § 385.209.1(3) because Lord attempted to obtain a license through material misrepresentation or fraud. As noted, Background Information Question No. 4 of the Application asks, in part, "Have you failed to pay state or federal income tax?" Lord answered "No." But in his 2015 Voluntary Petition, Lord indicated, under oath, that he had outstanding income tax obligations to the United States and to the State of Illinois. Yet when asked on the Application about owing state or federal income taxes, Lord denied that he had any such tax debts.
31. The Application required Lord to disclose both state and federal tax debts owed and to provide a written explanation as to each and certified copies of various documents related to the taxes owed.
32. Lord did not provide any statement or certified or other records regarding his admitted tax debts owed to the United States and to the State of Illinois.
33. Since the Application required Lord to disclose both state and federal tax debts, the failure to disclose his federal tax debt and the failure to disclose his state tax debt are two (2) separate attempts to obtain a license through material misrepresentation or fraud under § 385.209.1(3).
34. In total, Lord made eight (8) total attempts to obtain a license through material misrepresentation or fraud. Each attempt constitutes a separate and sufficient ground under § 385.209.1(3) for the Director to refuse to issue Lord an MVESC producer license.
35. The Director may refuse to issue an MVESC producer license to Lord under § 385.209.1(5) because Lord has been convicted of two felonies, as follows:
  - a. On April 16, 2007, Lord pled guilty to the Class C Felony of Passing Bad Checks, in violation of § 570.120. The Court suspended the imposition of sentence and placed Lord on five years' probation. On May 19, 2008, the court revoked Lord's probation and sentenced Lord to three years' confinement. The court suspended the execution of sentence, placed Lord on five years' probation, and ordered 35 days of shock time and

restitution. *State v. Raymond W. Lord*, St. Charles Co. Cir. Ct., Case No. 0611-CR02360-01.

b. On July 10, 2008, Lord pled guilty to the Class C felony of Theft/Stealing (Value of Property or Services is \$500 or More But Less than \$25,000), in violation of § 570.030. The court sentenced Lord to five years' incarceration, but suspended the execution of the sentence and placed Lord on supervised probation for three years, and ordered 30 days of shock time and 100 hours of community service. *State v. Raymond W. Lord*, St. Louis Co. Cir. Ct., Case No. 07SL-CR05936-01.

36. Each felony conviction constitutes a separate and sufficient ground under § 385.209.1(5) for the Director to refuse to issue Lord an MVESC producer license.
37. The Director may refuse to issue an MVESC producer license to Lord under § 385.209.1(7) because Lord has been found in violation of the law by a court of competent jurisdiction in an action instituted by any officer of any state or the United States in any matter involving motor vehicle extended service contracts, financial services, investments, credit, insurance, banking, or finance. In 2008, Lord pled guilty to the Class C Felony of Theft/Stealing (Value of Property or Services is \$500 or More But Less than \$25,000), based upon a theft from Brentwood Volvo, where Lord previously worked as a finance manager. More particularly, Lord stole two customer money orders, that the customer intended to be put towards the purchase of a car, but Lord took the money orders and used them to pay his own bills. The case was initiated by an Assistant Prosecuting Attorney for St. Louis County on behalf of the state and St. Louis County was a court of competent jurisdiction. Lord's conviction for stealing customer money orders, obtained while Lord worked as finance manager at a car dealership, involves financial services, credit, and finance.
38. The Director may refuse to issue an MVESC producer license to Lord under § 385.209.1(7) because Lord has been found in violation of the law by a court of competent jurisdiction in an action instituted by any officer of any state or the United States in any matter involving motor vehicle extended service contracts, financial services, investments, credit, insurance, banking, or finance. In 2007, Lord pled guilty to the Class C Felony of Passing Bad Checks, based upon an incident where Lord wrote a check to a jewelry store for a diamond tennis bracelet for \$6,451.92, knowing that it would not be paid. The case was initiated by an Assistant Prosecuting Attorney for St. Charles County on behalf of the state and St. Charles County was a court of competent jurisdiction. Lord's conviction for passing a bad check involves financial services, banking, and finance.

39. The Director may refuse to issue an MVESC producer license to Lord under § 385.209.1(9) because Lord has previously been refused a license by a state regulator of service contracts. On March 14, 2012, in the 2012 Refusal Order, the Director, the Missouri state regulator of service contracts, refused to issue an MVESC producer license to Lord pursuant to § 385.209.1(5). *See Exhibit A.*
40. The Director may refuse to issue an MVESC producer license to Lord under § 385.209.1(13) because Lord failed to comply with administrative or court orders issued prior to his 2015 bankruptcy directing payment of state or federal income tax. Lord failed to satisfy his admitted tax obligations to both the State of Illinois and to the United States.
41. The Director may refuse to issue an MVESC producer license to Lord under § 385.209.1(13) because Lord failed to comply with an administrative or court order directing payment of state or federal income tax. Lord submitted his Plan to the bankruptcy court to pay his debts, and the bankruptcy court certified and ordered confirmation of this Plan. Under that Plan, Lord was required to pay the trustee monthly so that his tax debts to Illinois (\$786.30) and to the United States (\$10,546.06) could be paid in full. Lord failed to make payments according to the Plan; on June 9, 2016, the bankruptcy court dismissed Lord's 2015 Voluntary Petition for failure to make plan payments. By failing to comply with the bankruptcy court order directing Lord to pay the trustee so that Lord's tax debts could be paid in full, Lord failed to comply with an administrative or court order directing payment of state or federal income tax.
42. Each violation of an administrative or court order directing payment of state or federal tax constitutes a separate and sufficient ground for the Director to refuse to issue Lord an MVESC producer license under § 385.209.1(13).
43. The Director may refuse to issue an MVESC producer license to Lord under § 385.209.1(14) because Lord has been the subject of a bankruptcy petition six times: in 2003, twice in 2004, 2005, 2011, and 2015.
44. The above-described instances are grounds upon which the Director may refuse to issue Lord an MVESC producer license. Lord failed to disclose that he owed both state and federal income tax in his Application, even though he listed those debts on his 2015 Voluntary Petition and declared, under penalty of perjury, that such debts were true and accurate. The bankruptcy court dismissed the 2015 bankruptcy case because Lord failed to make plan payments; the trustee, therefore, could not pay Lord's tax debts in full as required by the bankruptcy court's order. Lord is still a twice-convicted felon, just as he was when he previously applied for

an MVESC producer license in 2011. In his 2012 Refusal Order, the Director refused to issue Lord a license based upon those felonies. Further, Lord's felony convictions, for stealing and passing a bad check, involved financial services, credit, banking, and finance, because Lord, while working as a finance manager at a car dealership, stole customer money orders, and Lord wrote a check for more than \$6,000.00, knowing that it would not be paid. Lord has been the subject of several bankruptcy petitions, in 2003, twice in 2004, 2005, 2011, and, most recently, in 2015, none of which he disclosed on his Application. Finally, Lord has previously been refused a license by a state regulator of service contracts. See Exhibit A (2012 Refusal Order).

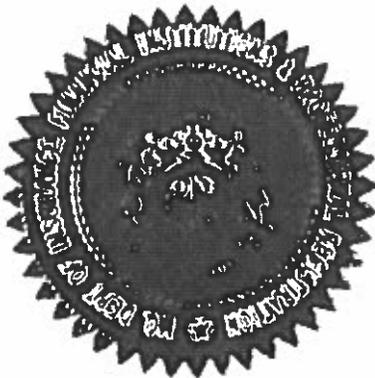
45. The Director has considered Lord's history and all of the circumstances surrounding Lord's Application. Issuing an MVESC producer license to Lord would not be in the interest of the public. Accordingly, the Director exercises his discretion to refuse to issue Lord an MVESC producer license.
46. This Order is in the public interest.

**ORDER**

**IT IS THEREFORE ORDERED** that the MVESC producer license Application of **Raymond Wesley Lord, II** is hereby **REFUSED**.

**SO ORDERED.**

WITNESS MY HAND THIS 30<sup>TH</sup> DAY OF JUNE, 2016.



  
**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.

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 30th day of June, 2016, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by UPS, with signature required, at the following address:

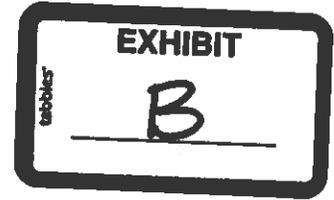
Raymond Wesley Lord, II  
1938 Williamstown Drive  
St. Peters, Missouri 63376

Tracking No. 1Z0R15W84296826077



*Kathryn Latimer*

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State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS & PROFESSIONAL REGISTRATION

IN RE: Raymond W. Lord, II, Applicant. Case No. 12-0202127C

ORDER REFUSING TO ISSUE MOTOR VEHICLE EXTENDED SERVICE CONTRACT PRODUCER LICENSE

On March 13, 2012, the Consumer Affairs Division submitted a Petition to the Director alleging cause for refusing to issue a motor vehicle extended service contract producer license to Raymond W. Lord, II. 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. Raymond W. Lord, II, ("Lord") is a Missouri resident with a residential address of 1938 Williamstown Drive, St. Peters, Missouri 63376.
2. On December 2, 2011, the Department of Insurance, Financial Institutions and Professional Registration ("Department") received Lord's Application for Motor Vehicle Extended Service Contract Producer License ("Application").
3. Background Question No. 1 of the Application asks, in relevant part: "Have you ever been convicted of a crime, had a judgement withheld or deferred, or are you currently charged with committing a crime?"
4. Lord marked "Yes" to Question No. 1 and disclosed the following felony convictions:
a. On April 16, 2007, Lord pled guilty to the Class C felony of passing bad checks, in violation of § 570.120. The Court suspended the imposition of sentence and placed Lord on five years' probation. On May 19, 2008, the court revoked Lord's probation and sentenced Lord to three years' confinement. The court suspended the execution of the sentence, placed Lord on five years' probation, and ordered 35 days shock time and restitution. Lord is still on supervised probation. State v. Raymond W. Lord, St. Charles Co. Cir. Ct. No. 0611-CR02360-01.

- b. On July 10, 2008, Lord pled guilty to the Class C felony of Theft/Stealing (Value of Property or Services is \$500 or More But Less than \$25,000), in violation of §570.030. The court sentenced Lord to five years' incarceration, but suspended the execution of the sentence and placed Lord on supervised probation for three years, 30 days shock time, and ordered 100 hours of community service. *State v. Raymond W. Lord*, St. Louis Co. Cir. Ct. No. 07SL-CR05936-01.

### CONCLUSIONS OF LAW

5. Section 385.209 RSMo (Supp. 2011) provides, in part:
1. 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:  

\* \* \*

(5) Been convicted of any felony[.]
6. Just as the principal purpose of § 375.141, the insurance producer disciplinary statute, 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), the purpose of § 385.209 is not to punish applicants for a motor vehicle extended service contract producer license, but to protect the public.
7. Lord may be refused a motor vehicle extended service contract producer license pursuant to § 385.209.1(5) because he has been convicted of two felonies. Each felony is a separate and sufficient ground to refuse his license Application:
- a. *State v. Raymond W. Lord*, St. Charles Co. Cir. Ct. No. 0611-CR02360-01 (Class C felony of passing bad checks, in violation of § 570.120).
  - b. *State v. Raymond W. Lord*, St. Louis Co. Cir. Ct. No. 07SL-CR05936-01 (Class C felony of Theft/Stealing (Value of Property or Services is \$500 or More But Less than \$25,000) in violation of § 570.030).
8. Lord has been convicted of two felonies, both of which involved theft and dishonesty. Either felony is a sufficient ground to refuse Lord a MVESC license. Granting Lord a MVESC producer license would not be in the interest of the public.

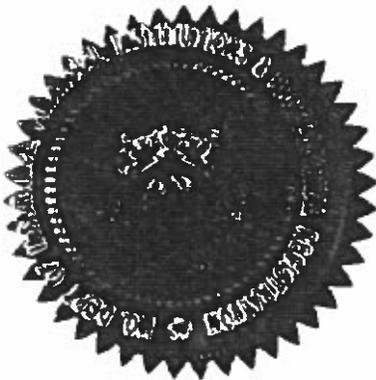
9. The Director has considered Lord's history and all of the circumstances surrounding his application. Granting Lord a motor vehicle service contract producer license would not be in the interest of the public. Accordingly, the Director exercises his discretion to refuse Lord's motor vehicle extended service contract producer license.
10. The order is in the public interest.

**ORDER**

**IT IS THEREFORE ORDERED** that the motor vehicle extended service producer license application of **Raymond W. Lord, II**, is hereby **REFUSED**.

**SO ORDERED.**

WITNESS MY HAND THIS 14<sup>TH</sup> DAY OF MARCH, 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 I 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 14th day of March, 2012 a copy of the foregoing Order and Notice was served upon the Applicant in this matter by regular and certified mail at the following address:

Raymond W. Lord, II  
1938 Williamstown Drive  
St. Peters, Missouri 63376

Certified No. 7009 3410 0001 8931 2677



Kathryn Randolph

Paralegal

Missouri Department of Insurance, Financial  
Institutions and Professional Registration

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