

**BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS**

**FINAL ORDER**

Effective: 07/14/03

In the Matter of the Kansas Nonresident	)	
Insurance Agent's License of	)	Docket No. 3175-SO
LISA M. FRAZIER	)	

**SUMMARY ORDER**

**(Pursuant to K.S.A. 2002 Supp. 40-4909 and K.S.A. 77-537)**

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 2002 Supp. 40-4909, the Commissioner hereby revokes the resident agent's license of Lisa M. Frazier ("Frazier") by way of Summary Order as provided by K.S.A. 77-537.

**Findings of Fact**

The Commissioner has been shown the following facts:

1. Records maintained by the Kansas Insurance Department ("KID") indicate that Frazier is licensed as a resident agent to transact the business of insurance in the State of Kansas and has been so licensed since April 17, 2003. KID records indicate a current legal and mailing address of 921 Grand Street, Emporia, KS 66801.
2. KID records further indicate that Frazier submitted a "clean" application, denying any criminal conviction or current criminal charges, dated April 15, 2003.
3. Frazier signed the application under the certification and attestation, which stated 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."

4. KID issued a license based on the “clean application” effective April 17, 2003.

5. KID subsequently obtained a Kansas Bureau of Investigation (“KBI”) criminal history report for Frazier that disclosed a conviction of felony theft in Lyon County District Court, Case Number 97CR441.

6. By letter dated May 7, 2003, KID requested court documents and additional details of the offense by May 23.

7. On May 22, Frazier faxed the following documents: Complaint/Information alleging three counts of theft of currency (two level 9, nonperson felonies and one class A misdemeanor), Journal Entry of Sentencing, Terms and Conditions of Probation/Parole, Order terminating probation in case number 97CR441; Complaint/Information alleging six counts of misuse of public funds (all severity level 8, nonperson felonies), Terms and Conditions of Probation/Parole, Order terminating probation in case number 97CR22; four of five pages of a Tender of Plea of No Contest, pertaining to case numbers 97CR22 and 97CR441; copies of petitions for expungement, not yet filed, in both cases; and a statement about the personal circumstances surrounding the offenses without detail as to the facts of the offenses. The Journal Entry of Sentencing from case number 97CR22 was not included, but the existence of a sentence is documented by the journal entry in case number 97CR441, which orders that the sentence run consecutive to the sentence in 97CR22. It appears that the missing page of the Tender of Plea would contain Frazier’s signature.

8. Frazier stated that the crimes occurred at “a time in [her] life where [she] was struggling to make ends meet” and was not able to seek help from her family. She stated that she had taken responsibility for her mistakes and received counseling while on probation.

9. By telephone, KID requested further details about the victim and circumstances of the thefts and value of money or property involved in the misuse of public funds and an explanation for her omission of the convictions from the application.

10. Frazier faxed a response on June 17, 2003, that included a receipt from the district court for an expungement fee in each case and her statement about the omission and the charges.

11. Frazier stated that she was not trying to hide her convictions but had been sick with allergies at the time “the application was sent in” and was “still gathering the information requested to send with the application.” Her use of passive voice suggests that she did not submit the application herself but does not state who might have submitted the application other than herself and does not deny that she signed it.

12. Without naming the school, Frazier said she worked for the athletic department and was a signatory on the spirit squad checking account. She used the account to pay her bills, intending to repay the account by the end of the school year, and was unable to repay the account.

13. Highly summarized, Frazier’s account of the theft charges is as follows: As part of a diversion agreement, Frazier was to make restitution to the school. She was working as the manager of the Texaco Food Mart. She planned to use a KPERS withdrawal to pay restitution. When the withdrawal was delayed, she “borrowed” money from her employer, from a safe and/or an ATM machine. It appears that the owner discovered that he had unwittingly made a loan and agreed not to take action if it was repaid within a certain time. It is unclear how much time passed before the owner reported the theft.

#### **Applicable Law**

14. K.S.A. 2002 Supp. 40-4909(a) provides, in relevant part:

“The commissioner may deny, suspend, revoke or refuse renewal of any license issued under this act if the commissioner finds that the applicant or license holder has . . . (3) Obtained or attempted to obtain a license under this act through misrepresentation or fraud . . . (6) Been convicted of a misdemeanor or felony . . . [or] (8) Used any fraudulent, coercive, or dishonest practice, or demonstrated any incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.”

15. The Commissioner may revoke any license issued under the Insurance Agents Licensing Act if the Commissioner finds that the insurable interests of the public are not properly served under such license. K.S.A. 2002 Supp. 40-4909(b).

### **Conclusions of Law**

16. The Commissioner has jurisdiction over Frazier and the subject matter of this proceeding, and such proceeding is held in the public interest.

17. Based upon the facts contained in paragraphs 7 through 9, 12, and 13 above, the Commissioner finds that Frazier has been convicted of two felonies, both in the nature of theft and both perpetrated through a breach of an employer’s trust.

18. Based upon the facts contained in paragraphs 2, 4, 7, and 11 above, the Commissioner concludes that Frazier obtained her Kansas license through a material misrepresentation by denying any felony or misdemeanor convictions and omitting the convictions of theft and misuse of public funds on her application for a Kansas license.

19. The Commissioner concludes that Frazier is responsible for the application information submitted over her signature, whether she signed an incomplete application for someone else to complete or provided false or misleading information herself.

20. The Commissioner further concludes that the KID would have been unlikely to have issued a license to Frazier had Frazier disclosed the facts of her convictions on her application.

21. Based upon the existence and nature of the offenses, the material omission from her application, and her explanation of the omission, the Commissioner finds that Frazier has used fraudulent or dishonest practices and demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business and continues to do so.

22. The Commissioner concludes that good cause exists pursuant to K.S.A. 2002 Supp 40-4909(a) to revoke the Kansas resident insurance agent's license of Lisa M. Frazier.

23. In addition, the Commissioner finds that Frazier's offenses are of a type that reflects negatively and directly upon her fitness to engage in the business of insurance, the insurable interests of the public are not properly served under the resident insurance agent's license of Lisa M. Frazier, and the license should be revoked pursuant to K.S.A. 2002 Supp. 40-4909(b).

24. Based on the facts and circumstances set forth herein, it appears that the use of summary proceedings in this matter is appropriate, in accordance with the provisions set forth in K.S.A. 77-537(a), in that the use of summary proceedings does not violate any provision of the law and the protection of the public interest does not require the KID to give notice and opportunity to participate to persons other than Lisa M. Frazier.

**IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT** the Kansas resident insurance agent's license of Lisa M. Frazier is hereby **REVOKED**.

**Notice and Opportunity for Hearing**

Lisa M. Frazier, within fifteen (15) days of service of this Summary Order, may file with the KID written request for a hearing on this Summary Order, as provided by K.S.A. 77-542. In the event a hearing is requested, such request should be directed to:

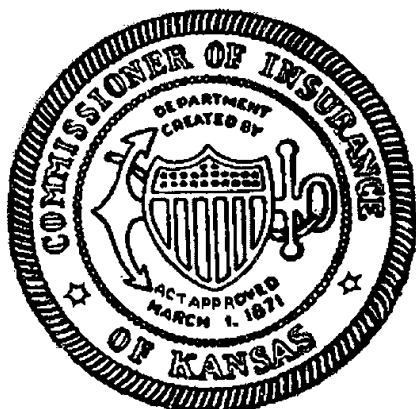
John W. Campbell  
General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, KS 66612

Any costs incurred as a result of conducting any administrative hearing shall be assessed against the agent who is the subject of the hearing as provided by K.S.A. 2002 Supp. 40-4909(f). Costs shall include witness fees, mileage allowances, any costs associated with the reproduction of documents which become part of the hearing record, and the expense of making a record of the hearing.

If a hearing is not requested, this summary order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen-day period for requesting a hearing.

The person designated pursuant to K.S.A. 77-613(e) to receive service of a petition for judicial review on behalf of the KID is John W. Campbell, General Counsel, Kansas Insurance Department, 420 S.W. 9<sup>th</sup> St., Topeka, KS 66612.

**IT IS SO ORDERED THIS 24th DAY OF JUNE, 2003, IN THE CITY OF  
TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



\_\_\_\_\_/s/ Sandy Praeger  
Sandy Praeger  
Commissioner of Insurance  
BY:

\_\_\_\_\_/s/ Linda Sheppard  
Linda Sheppard  
Assistant General Counsel

**Certificate of Service**

The undersigned hereby certifies that he served the above and foregoing Summary Order on this 24th day of June, 2003, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Lisa M. Frazier  
921 Grand Street  
Emporia, KS 66801

\_/\_s/ Brenda J. Clary \_\_\_\_\_  
Brenda J. Clary