DEFORE THE COMMISSIONER OF INSURANCE OF THE STATE OF KANSAS

In the Matter of the Kansas Resident)	
Insurance Agent's License of)	Docket No. FO-3573
RONALD W. REEVES)	

FINAL ORDER (Pursuant to K.S.A. 2005 Supp. 40-4909 and K.S.A. 77-526)

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 2005 Supp. 40-4909 and K.S.A. 77-501 *et seq*, this matter comes on for conclusion of the evidentiary or adjudicative hearing held on December 7, 2006. After reviewing the Respondent's Personal Response and attachment; the Petitioner's admitted exhibits; and, having been well-advised in the premises, the Commissioner makes the following findings of fact, conclusions of law and policy considerations as required by K.S.A. 77-526(c):

Findings of Fact:

- 1. Records maintained by the KID indicate that the Respondent is licensed as a resident agent to transact the business of insurance in Kansas and has been so licensed since July 21, 1977.
- 2. KID records further indicate both a home and a legal address of 4159 S.E. Teter Road, El Dorado, KS 67042.
- 3. The Respondent has been convicted of two counts of felony securities fraud in Sedgwick County, Kansas District Court. The convictions in Case No. 04CR3270 occurred on December 28, 2004. On March 31, 2005, the Respondent was sentenced to thirty-six (36) months in prison, stayed upon the successful completion of

- sixty (60) months of probation and ordered to pay restitution in the amount of \$57,000.00.
- 4. The Respondent failed to timely report those convictions to KID in violation of K.A.R. 40-7-9.
- 5. On May 6, 2005 the Respondent entered into a Consent Order with the Office of the Securities Commissioner of the State of Kansas Docket #2005E019 wherein the Respondent was barred from participating in the business of securities.
- 6. The Respondent failed to timely report this administrative action to KID in violation of K.A.R. 40-7-9.
- 7. On July 21, 1997 the Respondent entered into a Consent Order with the Office of the Securities Commissioner of the State of Kansas Docket #96E001 wherein the Respondent was sanctioned for dishonest and unethical practices under K.S.A. 17-1254(g)(7).
- 8. The Respondent failed to timely report this administrative action to KID in violation of K.A.R. 40-7-9.
- 9. After notice, both in-person and written, the Respondent fails to appear for the evidentiary hearing.

Applicable Law

- 10. K.S.A. 2005 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: (6) Been convicted of a misdemeanor or felony. . .." K.S.A. 2005 Supp. 40-4909(a).
- 11. The Commissioner may revoke any license issued under the Insurance Agents Licensing Act if the Commissioner finds that the interests of the insurer or the

insurable interests of the public are not properly served under such license. K.S.A. 2005 Supp. 40-4909(b).

- 12. K.A.R. 40-7-9 requires the Respondent as a licensed insurance agent to report to KID within 30 days of occurrence:
 - (b) each disciplinary action on an occupational license held by the licensee, other than an insurance agent's license, by the appropriate regulatory authority of this or any other jurisdiction;
 - (c) each judgment or injunction entered against the licensee on the basis of conduct involving fraud, deceit, or misrepresentation, or a violation of any insurance law; and,
 - (d) all details of any conviction of a misdemeanor or felony. The details shall include the name of the arresting agency, the location and date of the arrest, the nature of the charge or charges, the court in which the case was tried, and the disposition rendered by the court.

Conclusions of Law

- 13. The Commissioner has jurisdiction over Respondent as well as the subject matter of this proceeding, and such proceeding is held in the public interest.
- 14. The Commissioner finds that the grant of an insurance agent's license carries with it a fiduciary duty to the public. Further, the Commissioner finds that fiduciary responsibility to extend to the duty to act in the best interest of an agent's clients in other professional milieu, i.e. the Office of the Securities Commissioner of the State of Kansas. The Respondent has violated his professional and fiduciary duty by his actions.
- 15. The Commissioner finds that a felony conviction on its face demonstrates a violation of the Respondent's professional and fiduciary duty as an insurance agent.

- 16. The Commissioner finds that the Respondent has not shown any meaningful mitigation in regard to these matters and, that given his failure to appear, default judgment is appropriate.
- 17. The Commissioner concludes that good cause exists to revoke the Respondent's insurance agent's license pursuant to K.S.A. 2005 Supp. 40-4909(a)(6) and (b).

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT the Kansas resident insurance agent's license of Ronald W. Reeves is hereby REVOKED. Further, the Respondent is assessed costs in this matter pursuant to K.S.A. 40-4909(f), including witness fees, mileage allowances, any costs associated with the reproduction of documents that become part of the hearing record, and the expense of making a record of the hearing.

Notice of Final Agency Action and Judicial Review

The issuance of this Final Order constitutes final agency action in this matter.

Accordingly, all administrative remedies available to the Petitioner are hereby deemed exhausted, and the filing of a petition for reconsideration is not a prerequisite for judicial review.

The Petitioner may, within thirty (30) days of service of this <u>Final Order</u>, file a petition for judicial review in the appropriate court, as provided for by K.S.A. 77-613. In the event the Petitioner files a petition for judicial review, the agency officer to be served on behalf of the Kansas Insurance Department is: John W. Campbell, General Counsel, Kansas Insurance Department, 420 S.W. 9th Street, Topeka, KS 66612-1678.

IT IS SO ORDERED THIS __11th__ DAY OF DECEMBER, 2006, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



_/s/ Sandy Praeger Sandy Praeger Commissioner of Insurance
BY:
/ / D
_/s/ Robert M. Tomlinson
Robert M. Tomlinson Assistant Commissioner of Insurance
Presiding Officer

Certificate of Service

The undersigned hereby certifies that she serviced a true and correct copy of the above and foregoing <u>Final Order</u> on this __11th__ day of December, 2006, by placing the same in the United States Mail, first class postage prepaid, addressed to the following:

Ronald W. Reeves 4159 S.E. Teter Road El Dorado, KS 67042

Shelley J. Diehl Staff Attorney Kansas Insurance Department 420 S.W. 9th Street Topeka, KS 66612

> __/s/ Jana L. Beethe_____ Jana L. Beethe Legal Assistant