

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

In the Matter of the Kansas Resident)	
Insurance Agent's License of)	
)	
SHELDON A. GRAY,)	
NPN #4891150, and)	
)	
The Kansas Nonresident Agency License of)	Docket No. 4795--SO
)	
THE SHELDON GRAY INSURANCE AGENCY,)	
d.b.a. SG Insurance Agency)	

FINAL ORDER

(Pursuant to K.S.A. 40-4909 and K.S.A. 77-501 *et seq.*)

This matter came on for hearing on February 22, 2016. Agent Sheldon A. Gray appeared *pro se*, in person and the Kansas Insurance Department ("KID") appeared by and through its staff attorney, Michelle David. Prior to the hearing KID filed a motion for summary judgement and Respondent filed an answer to summary judgment.

Based on review of the motions, the Presiding Officer made a determination on the record, that there was no dispute of material facts or conclusions of law and the only unanswered question presented prior to parties' arguments was the exercise of discretion. (Hearing, Jan. 22, 2016, transcript p. 4-5.)

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 40-4909, the Commissioner hereby adopts the following Findings of fact as presented in the parties summary judgement motions, and enters an order revoking Respondent's Kansas resident insurance agent's license and cancelling the Kansas non-resident insurance agency license of The Sheldon Gray Insurance Agency, dba SG Insurance Agency ("Respondent Agency").

Findings of Fact

1. Respondent was licensed as a Kansas resident insurance agent on August 4, 2000, and has been continuously so licensed to date.
2. Respondent's legal address of record is in Leawood, Kansas, and his mailing address of record is 7233 Troost Ave., Kansas City, MO 64131-1704.
3. The Sheldon Gray Insurance Agency, doing business as SG Insurance Agency, is licensed as a Kansas non-resident insurance agency.
4. Respondent Agency has a physical and mailing address of 7233 Troost Ave., Kansas City, MO 64131.
5. Respondent is part owner, lends his name to, and is the responsible producer for the Sheldon Gray Insurance Agency.

6. On October 28, 2013, the Commissioner issued an order on In the Matter of the Kansas Resident Insurance Agent's License of Sheldon A. Gray, Docket Number 4571-SO.

7. The Order placed Respondent's license on probation and required Respondent to complete and provide evidence of successful completion of 20 additional hours of continuing education focusing on "financial responsibility in business," beyond that required for renewal, by November 1, 2015.

8. The Respondent was required to obtain prior approval from the Hearing Officer, the Assistant Commissioner, of continuing education courses to be taken no less than three (3) weeks prior to the course being offered.

9. Respondent did not petition for review or otherwise challenge the Order.

10. On or about November 14, 2013, the State of Missouri Department of Insurance, Financial Institutions & Professional Registration ("Missouri Department") received the Respondent's Uniform Application for Individual Producer License Renewal/Continuation.

11. On December 31, 2013, after a hearing, the Missouri Department issued an order refusing the renewal of Respondent's non-resident producer license for Missouri.

12. Respondent did not report the December 31, 2013, action by the Missouri Department to KID within 30 days after the action.

13. Respondent stated by electronic mail to KID that he called the producer licensing division before and on October 16, 2015, for assistance with his renewal due October 17, 2015.

14. Respondent had completed the continued education hours needed for just renewal and stated he was told he had done everything needed for the renewal.

15. The additional 20 hours of educational hours required by the order to be done by November 1, 2015 were not addressed by Respondent or KID staff during the conversations.

16. Respondent admitted that he did not provide evidence that he had completed the courses by November 1, 2015, and did not seek the Assistant Commissioner's approval for any courses prior to November 1, 2015.

Applicable Law

17. K.S.A. §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:

(2) Violated: . . .

(A) Any provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rule and regulation promulgated thereunder;

(B) any subpoena or order of the commissioner; . . .

(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.

- (9) Had an insurance agent license or its equivalent, denied, suspended or revoked in any other state, district or territory." K.S.A. §40-4909(a).
18. K.A.R. §40-7-9(a) requires a licensed agent to report to the Commissioner within 30 days any action taken by another state against his or her insurance agent's license.
19. In addition, 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. § 40-4909(b).
20. A person whose license has been revoked or suspended may not be employed directly or indirectly by an insurance company and 'may not perform any act toward the solicitation of or transaction of' insurance business in Kansas. K.S.A. §40-4909(g).
21. The Assistant Commissioner of Insurance acting on behalf of the Commissioner of Insurance as the agency head as provided in K.S.A. §77-547 is empowered to render a Final Order.

Conclusions of Law

22. The Commissioner has jurisdiction over Applicant and the subject matter of this proceeding and such proceeding is held in the public interest.
23. The Commissioner finds from the undisputed facts that action, up to and including revocation, may be taken against Respondent's license pursuant to K.S.A. §40-4909(a)(2)(B) because Respondent violated the order issued by the Commissioner on October 28, 2013 by not completing or providing evidence of completion for the required additional 20 hours of continued education.
24. The Commissioner finds from undisputed facts that action, up to and including revocation, may be taken against Respondent's license pursuant to K.S.A. §40-4909(A) because Respondent did not report the revocation of his Missouri license 30 days after the order had been issued by the Missouri Department pursuant to K.A.R. §40-7-9(a).
25. The Commissioner finds from undisputed facts that action, up to and including revocation, may be taken against the Respondent's license pursuant to 40-4909(b) because the Respondent's inability to understand the previous order demonstrates the Respondents inability to properly advise the public on insurance policies which are complex contracts.
26. The Commissioner finds that through the previous order Respondent was given a second chance to straighten out his business practices and the order set forth clear requirements and the Respondent failed to comply, demonstrating a repeated practice of non-compliance.
27. The Commissioner finds that the agency license may not remain active if Respondent is not licensed because Respondent is effectively promoting business so long as the company is using the Respondent's name or initials.
28. The Commissioner further finds that no evidence was presented to support that any Kansas residents were directly harmed by the Respondent's actions.

Policy to be Served

Before issuing an insurance agent license, the Commissioner must determine that the applicant is qualified and has not committed any act that would be grounds for denial, suspension, or revocation. K.S.A. 40-4905(b) and K.S.A. 40-4906. Further, 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 the license. K.S.A. 40-4909(b). Thus, the Commissioner is charged licensing, or continuing to license, persons or entities to sell, solicit, or negotiate insurance in the State of Kansas only if their conduct indicates they are both qualified and trustworthy. The following action is appropriate to promote the security and integrity of the insurance business and protect insurance consumers.

THE COMMISSIONER OF INSURANCE THEREFORE ORDERS the following:

1. The Kansas resident insurance agent's license of SHELDON A. GRAY is hereby REVOKED, and SHELDON A. GRAY shall CEASE and DESIST from the sale, solicitation, or negotiation of insurance, doing any act toward the sale, solicitation, or negotiation of insurance, and/or receiving compensation deriving from the sale, solicitation, or negotiation of insurance in Kansas or on Kansas risks through business conducted on and after the effective date of this order.
2. The Kansas nonresident agency license of the SHELDON GRAY INSURANCE AGENCY is hereby CANCELLED.

It is further ordered, pursuant to KSA 77-415(b)(2)(A), that this order is designated by KID as precedent.

IT IS SO ORDERED THIS 17th DAY OF MARCH 2016, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



John Wine
Assistant Commissioner of Insurance

NOTICE REGARDING JUDICIAL REVIEW

In the event Respondent files a Petition for Judicial Review, pursuant to K.S.A. 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is

Diane Minear, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

Certificate of Service

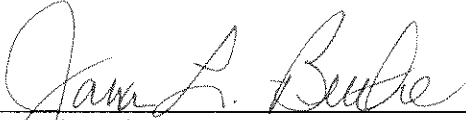
I hereby certify that I served copy of the above-and foregoing **Final Order** upon the Applicant by causing a copy of the same to be deposited in the United States mail, postage prepaid, on the 17th day of March 2016, addressed to the following:

Sheldon A. Gray
SG Insurance Agency
7233 Troost Ave.
Kansas City, MO 64131-1704

Sheldon Gray Insurance Agency
dba SG Insurance Agency
6430 Troost Ave.
Kansas City, MO 64131

And hand-delivered a copy to the following:

Michelle David
Staff Attorney
Kansas Insurance Dept.



Jana Beethe
Legal Assistant