

APR 28 2025

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKASTATE OF NEBRASKA
DEPARTMENT OF INSURANCE,

PETITIONER,

VS.

CODY M. KELLER
(NAIC Producer #17958197),

RESPONDENT.

FINDINGS OF FACT, CONCLUSIONS
OF LAW, RECOMMENDED ORDER
AND ORDER

CAUSE NO. A-2404

This matter came on for hearing on December 3, 2024, before Cheryl Wolff, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance ("Department") was represented by its counsel, Megan VanAusdall. Cody M. Keller ("Respondent") did not appear and was not represented by counsel. The proceedings were recorded by Shelly Storie, a licensed Notary Public. The Department offered Exhibits 1 through 3 at the hearing, which were received without objection. The Respondent did not offer any exhibits. After the conclusion of evidence, the matter was taken under advisement. The hearing officer makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

1. The Department is the agency of the State of Nebraska charged with licensing insurance producers.
2. Respondent is a licensed non-resident insurance producer. Respondent's residential and mailing address on file with the Department is 101 N Pine St, Middletown, PA 17057, and his

registered business address is 100 Sterling Parkway, Suite 103, Mechanicsburg, PA 17057. (Ex. 2, Attachment 1).

3. The Petition and Notice of Hearing in this matter were served upon Respondent at his registered addresses. Respondent was given reasonable notice and an opportunity to be heard in these proceedings. (Ex. 3.).

4. On or about April 24, 2024, the Department of Insurance received a Termination for Cause notice, dated Sept 6, 2023, from Northwestern Mutual Life Insurance Company (“Northwestern Mutual”), terminating the Respondent for paying an insurance clients funds from his personal bank account, having engaged in an undisclosed and unapproved outside business activity, and failing to respond to Northwestern Mutual’s inquiries about his actions. (Ex. 1, Attachment 1).

5. On April 24, 2024, the Department sent Northwestern Mutual a letter requesting additional information regarding the investigation, including supporting documentation, resulting in their decision to terminate the Respondent. (Ex. 1, Attachment 1).

6. On April 23, 2024, the Respondent had submitted an Application to the Department requesting renewal of his insurance producer’s license. (Ex. 2, Attachment 2).

7. On May 16, 2024, the Department received a copy of Northwestern Mutual’s Investigative Summary and attached exhibits from the company’s compliance division detailing several dishonest and fraudulent practices after the company received a consumer complaint demonstrating the Respondent did pay the consumer funds from his personal bank account, had misled the consumer on the product the consumer purchased and funded, and the failure to properly secure personally identifiable client information. (Ex. 1, Attachment 2).

8. On May 16, 2024, the Department sent the Respondent a letter via email to his registered email address, requesting a response to the allegations in Northwestern Mutual's notice of termination. (Ex. 1, Attachment 3).

9. On June 27, 2024, the Department sent a second inquiry letter by certified mail, return receipt requested, again requesting a response to the allegation made in Northwestern Mutual's notice of termination. A copy of the May 16, 2024, correspondence was enclosed in that letter. (Ex. 1, Attachment 4).

10. On July 16, 2024, the Department received an email response from the Respondent related to his "Nebraska Annuity license application" that included prior correspondence he had sent to the North Dakota Department of Insurance. In these documents, he asserted that he voluntarily terminated his employment and that he was engaged in litigation against Northwestern Mutual for defamation. No supporting documentation was included related to the alleged legal action for defamation. (Ex. 1, Attachment 5).

11. On July 16, 2024, the Department responded to the Respondent, informing him that his email response of July 16, 2024, did not sufficiently answer the Department's inquiries, and again requested a response concerning Respondent's termination of employment from Northwestern Mutual. The letter provided notice that failure to respond within 15 working days might constitute a violation of the Nebraska Unfair Trade Practices Act, and also included a copy of the June 27, 2024, letter from the Department. (Ex. 1, Attachment 6).

12. On or about July 31, 2024, the Department conducted a search of the Regulatory Information Retrieval System ("RIRS") database, which collects records of regulatory actions by participating states, and found a copy of a May 29, 2024, administrative action by the Insurance Department of the Commonwealth of Pennsylvania. In that administrative action, the Respondent

consented to findings that he intentionally misrepresented the terms of an insurance contract or application for insurance; demonstrating a lack of fitness, competence, or reliability; misrepresenting the benefits, advantages, conditions or terms of any insurance policy; and using misleading or deceptive marketing of insurance products. (Ex. 2, Attachment 3).

13. The Respondent reported the Pennsylvania administrative order on July 10, 2024, more than 30 days after entry of the final order. (Ex. 2).

14. On September 9, 2024, the Department received an email from the Respondent that he wished to voluntarily surrender his non-resident Nebraska License and on October 28, 2024, the Department verified receipt of a Voluntary License Cancellation/Surrender form signed by the Respondent on September 26, 2024. (Ex. 1. Attachment 7).

CONCLUSIONS OF LAW

1. The Department has broad jurisdiction, control, and discretion over the licensing of insurance producers in the State of Nebraska pursuant to Neb. Rev. Stat. §§ 44-101.01 and 44-4047 to 40-4069.

2. The Department has personal jurisdiction over Respondent.

3. Pursuant to Neb. Rev. Stat. § 44-4059, provides that the Director may refuse to issue or renew an insurance producer's license for several reasons including: ... (b) violating any insurance law or violating any rule, regulation, subpoena, or order of the director or of another state's insurance commissioner or director; (g) having admitted or been found to have committed any insurance unfair trade practice, any unfair claims settlement practice, or fraud; and (h) using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

4. Pursuant to Neb. Rev. Stat. § 44-1524 (1), it shall be an unfair trade practice in the business of insurance for any insurer to commit any act or practice defined in section 44-1525 if the act or practice is committed flagrantly and in conscious disregard of the Unfair Insurance Trade Practices Act or any rule or regulation adopted pursuant to the act.

5. Pursuant to Neb. Rev. Stat. § 44-1525 (11), it shall be unfair trade practice in the business of insurance of any insurer if they demonstrate the “[f]ailing of any insurer, upon receipt of a written inquiry from the department, to respond to such inquiry or request additional reasonable time to respond within fifteen working days.”

6. Pursuant to Neb. Rev. Stat. § 44-4065(1), An insurance producer shall report to the director any administrative action taken against the producer in another jurisdiction, by a professional self-regulatory organization such as the Financial Industry Regulatory Authority or a similar organization, or by another governmental agency within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.

7. Respondent violated Neb. Rev. Stat. §§ 44-4059(1)(b), (g), and (h); 44-1524(1); 44-1525(11); and 44-4065(1) as a result of the conduct found in paragraphs 2 through 14 in the Findings of Fact and as evidenced by the relevant exhibits received.

DISCUSSION

At the hearing, the Department presented sufficient evidence of proper service of notice of these proceedings upon Respondent. The Department served Respondent via certified mail, return receipt requested and regular U.S. mail to the Respondent’s registered addresses. Based upon the evidence of record, the Department’s service of the petition and notice of hearing upon Respondent

at his addresses of record was sufficient and jurisdiction over the actions of the Respondent in this matter has been established.

The uncontested evidence shows that Respondent was terminated for cause by Northwestern Mutual regarding accusations of using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the sale of insurance products to consumers. Respondent failed to provide adequate responses to the written inquiries of the Department, instead he argued he resigned before he was terminated. He also provided no supporting evidence that the accusations by the company were unfounded. When the Department continued to ask questions regarding the circumstances surrounding his termination, the Respondent did not respond to the questions but instead surrendered his Nebraska License. During this time, the Respondent admitted to violations of several insurance laws in Pennsylvania in the Consent Order he signed. The admissions were regarding conduct similar to that investigated by Northwestern Mutual and was the basis for Respondent's termination for cause. The Pennsylvania Consent Order contradicts the earlier response provided to the Department by the Respondent, further demonstrating dishonest and misleading conduct by the Respondent. The facts also show the Respondent failed to timely report the administrative action to Nebraska within 30 days of the final order being issued.

These actions constitute a violation of Neb. Rev. Stat. §§ 44-4059(1)(b), (g), and (h); 44-1524(1); 44-1525(11); and 44-4065(1)

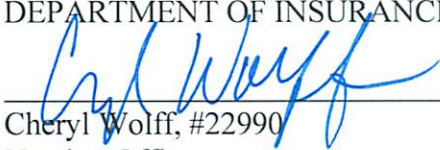
RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that Respondent's non-resident insurance producer's license be revoked.

The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling Respondent or the Department of Insurance to make application for such orders as may be necessary.

Dated this 28th day of April, 2025.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



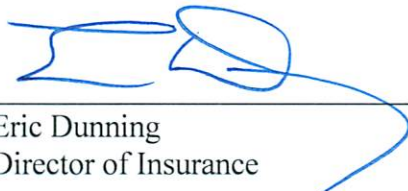
Cheryl Wolff, #22990
Hearing Officer

CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and Final Order of this Department in the matter of the State of Nebraska, Department of Insurance vs. Cody M. Keller. (NAIC Producer #17958197), Cause No. A-2404.

Dated this 28th day of April, 2025.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Eric Dunning
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order, and Order was served upon the Respondent by mailing a copy to Respondent's registered residential and mailing address on file with the Department at 101 N Pine St, Middletown, PA 17057, and his registered business address at 100 Sterling Parkway, Suite 103, Mechanicsburg, PA 17057, via certified mail, return receipt requested and via regular U.S. mail on this 28th day of April, 2025.