

APR 04 2025

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

IN THE MATTER OF THE DENIAL OF)	
APPLICATION OF LICENSE FOR)	FINDINGS OF FACT, CONCLUSIONS
RICHARD "RICK" FREEMAN)	OF LAW, RECOMMENDED ORDER
)	AND ORDER
)	
)	CAUSE NO. A-2452
)	
)	
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This matter came on for hearing on the 18th day of March 2025, before Megan VanAusdall, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance ("Department") was represented by its attorney, Cheryl Wolff. Richard "Rick" Freeman, ("Applicant") was present telephonically and was not represented by an attorney. The proceedings were tape recorded by Shelly Storie, a licensed Notary Public. Evidence was received, testimony was adduced, and the matter was taken under advisement. As a result of the hearing, 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. On or about November 20, 1992, Applicant was sentenced by the Superior Court of Fulton, Georgia, pursuant to a guilty plea to one count of Possession of Cocaine, to one year probation, a felony, in violation of GA Code §16-13-26(1)(D). (Ex. 1, Attachment 1)

3. On February 20, 2025, Applicant applied for a Nebraska non-resident insurance producer's license. Applicant disclosed his criminal conviction on his application, as well as three administrative actions naming Applicant as a party, from Insurance departments in Florida, Louisiana, and Pennsylvania, respectively. (Ex. 1, Attachment 1)

4. On February 2, 2024, the Department issued a final Order in the Matter of the Denial or Renewal Application for License for Rick A. Freeman (NPN #19154409), Cause No. A-2352, which found violations of Neb. Rev. Stat. §44-4059(1)(a), (b), and (h), and upheld the denial of Applicant's previous application to renew his license. (Ex. 1, Attachment 2)

5. On February 18, 2025, the Department, through the administrator of the licensing division, Kevin Schlautman, denied Applicant's application for licensure due to Applicant's felony criminal conviction, as provided by Neb. Rev. Stat. §44-4059(1)(f). (Ex. 1, Attachment 3)

6. On February 24, 2025, Applicant submitted a timely request for appeal of the denial of his 2025 Application, via email. (Ex. 1, Attachment 4)

7. Applicant appeared at the administrative hearing, held on March 18, 2025, and offered testimony explaining the circumstances of his criminal conviction. Applicant stated that the felony conviction from 1992 stemmed from substance abuse issues in his youth, which Applicant has since addressed. Applicant stated he is currently licensed in the majority of the United States, and works as an insurance producer in the Life and Health lines. (Applicant's testimony at License Denial Hearing; Ex. 1, Attachment 1)

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(1)(f), the director may suspend, revoke, or refuse to issue or renew an insurance producer's license for the conviction of a felony.
4. If the director does not renew or denies an application for a license, the director shall notify the applicant or licensee and advise, in writing, the applicant or licensee of the reason for the denial or nonrenewal of the applicant's or licensee's license. The applicant or licensee may make written demand upon the director within thirty days for a hearing before the director to determine the reasonableness of the director's action. The hearing shall be held within thirty days and shall be held pursuant to the Administrative Procedure Act, pursuant to Neb. Rev. Stat. §40-4059(2).

DISCUSSION

Applicant's criminal conviction constitutes a sufficient statutory basis to deny his application as a Nebraska resident insurance producer. However, such denial is discretionary, not mandatory. The purpose of the license denial hearing is to determine the reasonableness of the denial. In the context of a proper denial, the hearing gives an applicant the opportunity, and the burden, to show why a license should be granted.

The Applicant was honest and forthcoming regarding his felony criminal conviction, as well as the circumstances thereof. Applicant's testimony shows the significant strides he has made in building a life for himself after conviction, and his efforts should be commended. Applicant is requesting to be provided a resident insurance producer's license, after thirty years have passed with no other convictions on Applicant's criminal history. Applicant's Application for licensure at this point in time can be seriously considered, despite Applicant's criminal history, because the records show that Applicant has been successful in making a change and demonstrate a substantial likelihood

that Applicant will not re-offend, or make decisions which conflict with the ethical standards required of an insurance producer.

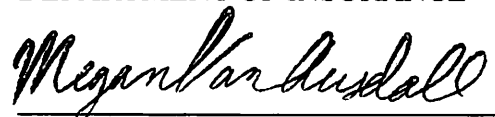
Succinctly stated, the weight of the evidence presented by the Applicant sufficiently supports a finding that the denial of the Applicant's request for license may be overturned without endangering any Nebraska citizens.

RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law made herein, it is recommended that the initial decision to deny Applicant's licensure request, while supported by a sufficient evidentiary basis, be OVERTURNED, and that Applicant's request for licensure as a resident insurance producer be granted.

Dated this 11th day of April 2025.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

A handwritten signature in black ink, reading "Megan VanAusdall", written over a horizontal line.


Megan VanAusdall #27433
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 Denial of Application for License for Richard "Rick" Freeman, Cause No. A-2452.

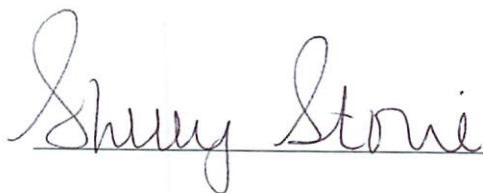
Dated this 4th day of April 2025.

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 Applicant by mailing a copy to him at his registered residential, mailing, and business address of 95153 COLNAGO COURT, FERDINANDA BEACH, FL 32034-0199, via regular U.S. mail, and by electronic delivery to Applicant's registered personal and business email address, UNIMARKETINGENT@msn.com, on this 4th day of April 2025.


Sherry Storie