

FEB 2, 2024

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

IN THE MATTER OF THE DENIAL OF)	FINDINGS OF FACT,
RENEWAL APPLICATION FOR LICENSE)	CONCLUSIONS OF LAW,
FOR RICK A. FREEMAN)	RECOMMENDED ORDER AND
(NAIC Producer #19154409))	ORDER
)	
)	CAUSE NO. A-2352
)	
)	
)	

This matter came up for hearing on January 23, 2024, before Michael W. Anderson, 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, Cheryl Wolff. Rick Freeman ("Applicant") was present via teleconference and was not represented by counsel. The proceedings were recorded by Shelly Storie, a licensed Notary Public. The Department presented evidence at the hearing and 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. On December 27, 2023, the Department received a license renewal application from Rick Freeman, NPN #19154409, requesting a non-resident producer license. Applicant's business and mailing address as stated in that application is 95153 COLNAGO CT, Fernandina Beach, FL 32034-0199. (See Exhibit 1, Attachment 1)

3. Mr. Freeman reported three administrative actions in the National Insurance Producer Registry (NIPR) Attachment Warehouse as described below:

- i. On April 12, 2022, Mr. Freeman reported a July 22, 2021, Consent Order with the Settlement Stipulation for Consent Order with the Florida Department of Financial Services. The Consent Order imposed a \$1500 fine for failure to report criminal history. (See Exhibit 1, Attachments 1 and 2)
- ii. On July 26, 2022, Mr. Freeman reported an April 12, 2022, Notice of Fine with the Louisiana Department of Insurance. Mr. Freeman was fined \$250 for failure to disclose his past criminal history on his initial application for a nonresident license in Louisiana and for failure to disclose the Florida administrative action within 30 days as required. (See Exhibit 1, Attachments 1 and 2)
- iii. On July 26, 2022, Mr. Freeman reported a July 11, 2022, Consent Order with the Insurance Department of the Commonwealth of Pennsylvania. This Consent Order imposed a \$250 fine for failure to disclose his past criminal history on his initial application for a nonresident license in Pennsylvania and for failure to disclose the Florida administrative action within 30 days as required. (See Exhibit 1, Attachments 1 and 2)

4. On December 28, 2023, I conducted a search of the Regulatory Information Retrieval System (RIRS), which contains the records of regulatory actions taken by

participating states, confirmed these three administrative actions against Mr. Freeman. (See Exhibit 1, Attachment 2)

5. Neither the Florida Consent Order nor the Louisiana Notice of Fine were reported within 30 days of the final disposition of the matter. (See Exhibit 1)

6. The administrative actions in FL, LA, and PA all referenced the failure to disclose that on November 20, 1992, Mr. Freeman pleaded guilty in the Superior court of Fulton County, GA to one felony count of Possession of Cocaine. (See Exhibit 1, Attachment 2)

7. Mr. Freeman did not disclose his past felony deferred judgment on his initial license for a Nebraska non-resident producers license dated June 15, 2021, his license renewal application dated December 14, 2021, or on his renewal license application dated December 27, 2023. (See Exhibit 1, Attachment 1, 3, and 4)

a. On all licensing applications, background question 1B asks whether the applicant has “ever been convicted of a felony, had a judgment withheld or deferred, or are you currently charged with committing a felony?” (See Exhibit 1, Attachment 1, 3, and 4)

b. On all three licensing applications, Mr. Freeman responded “no” to that question. (See Exhibit 1, Attachment 1, 3, and 4)

7. On January 4, 2024, Petitioner’s Office sent a letter to Mr. Freeman denying his renewal application. (See Exhibit 1, Attachment 5)

8. On January 4, 2023, Petitioner’s Office received an email from the Applicant requesting a hearing on this denial and included copies of his letter of

explanation to Florida regarding his failure to disclose the felony and the court documents related to his felony in Georgia. (See Exhibit 1, Attachment 6)

9. At the hearing, Applicant testified that his actions were affected by medical condition(s) that caused the failure to report his administrative actions and past felony criminal history to the Nebraska Department of Insurance. (Testimony of Applicant)

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 et seq.

2. The Department has personal jurisdiction over Applicant.

3. Pursuant to Neb. Rev. Stat. § 44-4059(1)(a), the Director may suspend, revoke or refuse to issue or renew an insurance producer's license or may levy an administrative fine against an insurance producer's license if it is found that the producer provided incorrect, misleading, incomplete, or materially untrue information in the license application.

4. Pursuant to Neb. Rev. Stat. § 44-4059(1)(b), the Director may suspend, revoke or refuse to issue or renew an insurance producer's license or may levy an administrative fine against an insurance producer's license if it is found that the producer has violated any insurance law.

5. Pursuant to Neb. Rev. Stat. § 44-4059(1)(h), the Director may suspend, revoke or refuse to issue or renew an insurance producer's license or may levy an administrative fine against an insurance producer's license if it is found that the producer has engaged in fraudulent, coercive, or dishonest practices, or [has demonstrated]

incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere

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. Applicant violated Neb. Rev. Stat. § 44-4059(1)(a), (b), and (h) as a result of the conduct found in paragraphs 1-8 in the Findings of Fact and as evidenced by the relevant exhibits received.

DISCUSSION

At the hearing, the Department presented evidence of service of notice of these proceedings upon Applicant. The Department served Applicant via certified mail, return receipt requested, and regular U.S. mail to the Applicant's registered address.

The uncontested evidence shows that Applicant failed to timely report both Florida and Louisiana actions to the Nebraska Department of Insurance, that Applicant provided incorrect information in three (3) separate license applications, each of which failed to report Applicant's felony criminal conviction out of Fulton County, Georgia in 1992 for Possession of Cocaine.

These actions constitute violations of Neb. Rev. Stat. § 44-4059(1)(a)(b) and (h).

RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that Applicant's denial for renewal application be upheld. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling Applicant or the Department of Insurance to make application for such orders as may be necessary.

Dated this 1st day of February, 2024.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Michael W. Anderson
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 Renewal Application for License for Rick A. Freeman (NAIC Producer #19154409), Cause No. A-2352.

Dated this 2nd day of February, 2024.

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 Applicant's registered address, 95153 COLNAGO CT, Fernandina Beach, FL 32034-0199, via certified mail, return receipt requested, and via regular U.S. mail on this 1st day of February, 2024.


