

FEB 14 2012

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	
)	CONSENT ORDER
PETITIONER,)	
)	
VS.)	CAUSE NO. A-1930
)	
AMERICAN MARKETING)	
SERVICES/MIDWEST d/b/a AMS)	
INSURANCE CENTER, and)	
RICHARD A. PETERS, II (NAIC National)	
Producer #1433471),)	
)	
RESPONDENTS.)	

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondents pursuant to Neb. Rev. Stat. §§ 44-101.01, and 44-4047 et seq. (Reissue 2010).
2. Respondents were licensed as an insurance agent and agency under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. American Marketing Services/Midwest d/b/a AMS Insurance Center, and Richard A. Peters, II (NAIC National Producer #1433471), Cause Number A-1930 on November 3, 2011.
2. A copy of the petition was served upon the Respondents at the Respondents' addresses registered with the Department by certified mail, return receipt requested, and by regular U.S. mail.
3. Respondents are alleged to have violated Neb. Rev. Stat. § 44-1525(11) (Reissue 2010) as follows:

- a. During the period of June 3, 2011 to October 11, 2011 Respondents American Marketing Services/Midwest d/b/a AMS Insurance Center (“American Marketing”), and Richard A. Peters, II (“Peters II”) failed, after receiving a written request from the Nebraska Department of Insurance to provide copies of quarterly, semi-annual or annual financial statements for the years 2009, 2010 and 2011, to timely respond to the written request.

4. Respondents are alleged to have violated Neb. Rev. Stat. §§ 44-319, 44-4059(1)(b), and 44-4059(1)(h) as follows:

- a. Respondents failed to maintain books and records that clearly demonstrated the ownership of funds received, collected and deposited into their commercial checking account (Sweep Account) and basic business account (Operating Account).
- b. Respondents’ financial practices resulted in a comingling of consumers’ premium payments and agency operating funds, multiple overdraft and insufficient fund penalties on Respondents’ accounts, and discrepancies in cash drawer reconciliations.

5. Respondents were informed of their right to a public hearing. Respondents waive that right, and enter into this Consent Order freely and voluntarily. Respondents understand and acknowledge that by waiving their right to a public hearing, Respondents also waive their right to confrontation of witnesses, production of evidence, and judicial review.

6. Respondents neither admit nor deny the allegations stated in Paragraphs 3 and 4.

CONCLUSIONS OF LAW

Respondents’ conduct as alleged above constitutes violations of Neb. Rev. Stat. §§ 44-319, 44-4059(1)(b), and 44-1525(11) (Reissue 2010).

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed by Respondents, American Marketing Service/Midwest d/b/a AMS Insurance Center, and Richard A. Peters, II, that:

1. Respondents shall pay an administrative fine in the amount of two thousand dollars (\$2,000) due within 70 days after the Director of Insurance or his designee approves and signs this

consent order. If Respondents fail to pay the amount required under this consent order, within the time specified, their insurance producer licenses shall automatically be revoked.

2. Respondent American Marketing Service/Midwest d/b/a AMS Insurance Center shall identify a separate bank account for premium funds. All premium funds received by Respondents shall be deposited into this account, and all premium payments to insurers shall be remitted from this account. This account is to be used only for handling premium payments. No funds in this account may be removed or drawn upon by Respondents for any purpose other than to remit premiums to the appropriate insurer. Any and all banking fees associated with the identified premium account shall be documented and paid out of the agency's separate operating account.

3. Procedures shall be implemented and maintained to ensure proper and accurate accounting and reconciliation of all cash and check premium payments received at American Marketing Service/Midwest d/b/a AMS Insurance Center on a daily basis. Premium payments received at the American Marketing Service/Midwest d/b/a AMS Insurance Center shall be kept separate from any agency operating funds while awaiting deposit in the identified premium account.

4. American Marketing Service/Midwest d/b/a AMS Insurance Center shall provide to Petitioner a balance sheet for the year ended December 31, 2011 within 45 days of the date of this order.

5. American Marketing Service/Midwest d/b/a AMS Insurance Center shall provide to Petitioner financial statements for the year ended December 31, 2011 within 180 days of the date of this order.

6. American Marketing Service/Midwest d/b/a AMS Insurance Center shall provide to Petitioner semi-annual and annual financial statements for the three years ending December 31,

Faint, mostly illegible text at the top of the page, possibly a header or introductory paragraph.

Faint text lines, possibly a signature or name, located in the upper left quadrant.

Feb. 10 2015
Date

[Handwritten signature]
Name

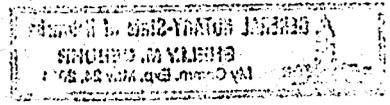
3/11/15

[Handwritten signature]
Name

3/11/15

Faint text lines at the bottom of the page, possibly a footer or concluding text.

[Handwritten signature]
Name



RECEIVED

FEB 13 2012

**NEBRASKA DEPARTMENT
OF INSURANCE**

[Faint handwritten signature]



[Faint handwritten signature]

2-14-2012

[Faint handwritten signature]