

MAY 28 2013

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	FINDINGS OF FACT, CONCLUSIONS
)	OF LAW, RECOMMENDED ORDER
PETITIONER,)	AND ORDER
)	
VS.)	CAUSE NO. A-1975
)	
JEFFREY R. MORGAN,)	
National Producer Number 3188537,)	
)	
RESPONDENT.)	

This matter came on for hearing on the 9th day of May, 2013 before Martin W. Swanson, 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, Laura Arp. Jeffrey R. Morgan (“Respondent”) was present but was not represented by an attorney. The proceedings were tape recorded by Tracy Gruhn, 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. Respondent is a licensed insurance producer in the State of Nebraska. His registered business with the Department of Insurance is Morgan & Associates, Inc., 2612 West 46 Street Place, Kearney, Nebraska 68845. His registered home address with the Nebraska Department of Insurance is 2612 West 46th St. Pl., Kearney, NE 68845. Respondent received notice of this hearing and was present at the hearing. E3,4.

2. Information discovered by the Department indicated that Respondent had two criminal actions taken against him. The first was in Buffalo County, Nebraska County Court Case No. CR 10-2016. The Journal Entry for that case indicates an appearance of September 7, 2010. Further documents from that case indicate a not guilty plea was served on September 9, 2010, by Respondent's counsel. According to Respondent, he was found not guilty. The second matter was an arraignment from Buffalo County, Nebraska County Court Case No. CR 12-2797. The complaint was filed by the Buffalo County Attorney on November 30, 2012. The matter was eventually dismissed by the Buffalo County Attorney's office. E1, 2, 3, 5.

3. Neither of these criminal matters was reported to the Department with 30 days of arraignment or waiver of arraignment, as indicated by the evidence presented by the Department. E3, 5.

4. Respondent provided testimony at the hearing. During his testimony, Respondent admitted that he did not report either arraignment to the Department.

5. The Department's action alleges multiple violations of *Neb. Rev. Stat.* §§ 44-4049(1)(h) and 44-4065(3).

DICUSSION

1. At the hearing, Respondent admitted that he failed to notify the Department of the charges filed against him in both instances and stated that he was guilty of doing so, but disagreed with the law itself. Respondent requested that I take into consideration several extenuating circumstances, including medical conditions and his financial situation. I have examined those matters and have taken them into consideration for purposes of my recommendation for a fine.

2. There was a lengthy discussion about whether or not a letter was faxed by the Respondent to the Department regarding notification of the criminal matters. Assuming *arguendo* that the letter was received by the Department, thirty days for both violations had already passed as Respondent admitted to at the hearing. The letter, for purposes of determining whether or not Respondent violated *Neb. Rev. Stat.* §44-4059(1)(h) or 44-4065(3), is simply not relevant to this matter. Rather, the issues presented in this case are whether or not Respondent violated *Neb. Rev. Stat.* §44-4065(3) by failing to properly notify the Department about the criminal matters in a timely fashion pursuant to the law, which he did; and whether the act constitutes incompetence and is a violation of *Neb. Rev. Stat.* §44-4059(h), which it does. An insurance producer is required to know and follow all laws that are applicable to them. Ignorance of or the disagreement with a law is not a defense to a violation of that law.

CONCLUSIONS OF LAW

1. The Department has jurisdiction and control over the licensing of Respondent to sell insurance in the State of Nebraska pursuant to *Neb. Rev. Stat.* §44-101.01 and §44-4001 et seq.
2. The Department has personal jurisdiction over Respondent.
3. Respondent twice violated *Neb. Rev. Stat.* §44-4065 and, by virtue of that act, also twice violated *Neb. Rev. Stat.* §44-4059(1)(h) by not reporting the criminal matters to the Department and demonstrating incompetence in the business of insurance by not reporting said criminal matters.

RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that Respondent shall pay an administrative penalty of \$500 for the aforementioned violations. The \$500 penalty is due within thirty days from the date of the Director's signature below. The Nebraska Department of Insurance will continue to retain jurisdiction over this matter.

Dated this 22nd day of May, 2013.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Martin W. Swanson
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 State of Nebraska, Department of Insurance vs. Jeffrey R. Morgan, Cause No. A-1975.

Dated this 28 day of May, 2013.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Bruce R. Ramge
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 at Morgan & Associates, Inc., 2612 West 46 St. Pl., Kearney, NE 68845 by certified and regular U.S. mail, return receipt requested, on this 28 day of May, 2013. .


