

**SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
DIVISION OF INSURANCE**

| | | |
|-----------------------------|---|-----------------------|
| IN THE MATTER OF |) | FINAL DECISION |
| MIDAMERICA FINANCIAL |) | INS 16-11 |
| SERVICES, INC. |) | |


After reviewing the record and the proposed decision of the Hearing Examiner in this matter,

IT IS HEREBY ORDERED that pursuant to SDCL 1-26D-4, the Hearing Examiner's Proposed Decision, dated December 19, 2016 is adopted in full.

IT IS FURTHER ORDERED the South Dakota business entity license for MIDAMERICA FINANCIAL SERVICES, INC. is hereby revoked.

Parties are hereby advised of the right to further appeal the final decision to Circuit Court within (30) days of receiving such decision, pursuant to the authority of SDCL 1-26.

Dated this 28 day of December, 2016.



Marcia Hultman, Secretary
South Dakota Department of Labor and Regulation
123 W. Missouri Ave.
Pierre, SD 57501

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION

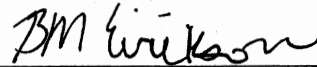
IN THE MATTER OF
MIDAMERICA FINANCIAL
SERVICES,

INS 16-11

NOTICE OF ENTRY OF PROPOSED
FINDINGS OF FACT, CONCLUSION OF LAW,
AND DECISION AND FINAL DECISION

NOTICE IS HEREBY GIVEN, that attached hereto, is a true and correct copy of the Proposed Findings of Fact, Conclusions of Law, and Decision, and Final Decision entered by Marcia Hultman, Secretary of the South Dakota Department of Labor and Regulation, on December 28, 2016.

Dated this 6th day of January, 2017.



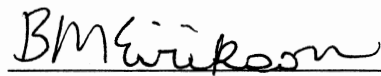
Benjamin M. Eirikson
Insurance Division Legal Counsel
South Dakota Division of Insurance
124 South Euclid Avenue, 2nd Floor
Pierre, SD 57501
(605) 773-3563

CERTIFICATE OF SERVICE

I, Benjamin M. Eirikson, the undersigned, do hereby certify that on this 6th day of January 2017, a true and correct copy of the Proposed Findings of Fact, Conclusions of Law, and Decision, and Final Decision with respect to the above-entitled action was sent U.S. Certified Mail thereon, to the following:

MidAmerica Financial Services
1007 E 20th St.
Joplin, MO 64804

Dated this 6th day of January, 2017.



Benjamin M. Eirikson
Insurance Division Legal Counsel
South Dakota Division of Insurance
124 South Euclid Ave, 2nd Floor
Pierre, SD 57501
(605) 773-3563

**STATE OF SOUTH DAKOTA
OFFICE OF HEARING EXAMINERS**

**IN THE MATTER OF
MIDAMERICA FINANCIAL
SERVICES, INC.**

**INS 16-11
PROPOSED DECISION**

This matter came for hearing before the Office of Hearing Examiners on December 16, 2016, pursuant to a Notice of Hearing issued by the South Dakota Division of Insurance ("Division") on November 22, 2016. Frank Marnell and Benjamin Eirikson appeared as counselors for the Division. MIDAMERICA FINANCIAL SERVICES, INC. (hereinafter referred to as "MIDAMERICA") did not appear, either in person or through counsel. The Division admitted its Exhibits 1 through 5 into evidence and moved that the Hearing Examiner enter these Proposed Findings of Fact, Conclusions of Law, and Proposed Decision as a default disposition to this contested case.

ISSUE

Whether the Business Entity License of MIDAMERICA should be revoked due to failing to timely respond to the Division; failing to timely report an administrative action(s) to the Division; for demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere; and for violating the insurance laws of South Dakota, in violation of SDCL 58-30-167(2) and (8), 58-30-193, 58-33-66, and 58-33-68.

FINDINGS OF FACT

1. MIDAMERICA was licensed by the Division as business entity on April 27, 2007. The license is currently active. (Exhibit 1).
2. MIDAMERICA was fined \$150,000 by FINRA on February 5, 2016. (Exhibit 2).
3. MIDAMERICA did not report the FINRA action to the Division.
4. The Division sent an inquiry to MIDAMERICA at the mailing address of record. (Exhibit 3).
5. MIDAMERICA did not respond to the Division's inquiries. (Exhibits 3 and 4).
6. Any additional Findings of Fact included in the Reasoning section of this decision are incorporated herein by reference.

7. To the extent any of the foregoing are improperly designated and are instead conclusions of law, they are hereby redesignated and incorporated herein as conclusions of law.

REASONING

This case involves a request by the Division to revoke the South Dakota Non-Resident Insurance Producer's License of MIDAMERICA. As a consequence of the potential loss of Respondent's livelihood from the lack of licensure, the burden of proof in this matter is higher than the preponderance of evidence standard, which applies in a typical administrative hearing. "In matters concerning the revocation of a professional license, we determine that the appropriate standard of proof to be utilized by an agency is clear and convincing evidence." *In re Zar*, 434 N.W.2d 598, 602 (S.D. 1989). Our Supreme Court has defined "clear and convincing evidence" as follows:

The measure of proof required by this designation falls somewhere between the rule in ordinary civil cases and the requirement of our criminal procedure, that is, it must be more than a mere preponderance but not beyond a reasonable doubt. It is that measure or degree of proof which will produce in the mind of the trier of facts a firm belief or conviction as to the allegations sought to be established. The evidence need not be voluminous or undisputed to accomplish this.

Brown v. Warner, 78 S.D. 647, 653, 107 NW2d 1, 4 (1961).

SDCL 58-30-193 states that "[A]n insurance producer shall report to the director any administrative action taken against the insurance producer in another jurisdiction... within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent order, or other relevant legal documents." SDCL 58-33-66(1) requires MIDAMERICA to respond to the Division and supply requested documents within twenty days from the receipt of a request. In addition, the Division considers SDCL 58-30-167 (shown in pertinent part) as follows:

The director may... revoke or refuse to continue, any license issued under this chapter... after a hearing... The director may... revoke... an insurance producer's... for any one or more of the following causes:

- (2) Violating any insurance laws or rules, subpoena, or order of the director or of another state's insurance director, commissioner, or superintendent;
- (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere;

The evidence indicates that MIDAMERICA violated the insurance laws of another jurisdiction, failed to report that action, and failed to respond to Division inquiries regarding the action. Applying the law to the Findings of Fact it is clear the Business Entity License of MIDAMERICA is subject to revocation and should be revoked.

CONCLUSIONS OF LAW

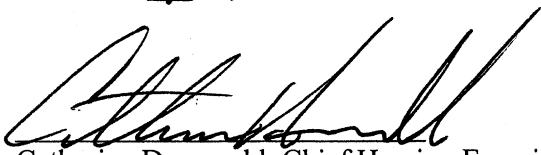
1. The Division has jurisdiction over MIDAMERICA and the subject matter of this contested case. The Office of Hearing Examiners is authorized to conduct the hearing and issue a proposed decision pursuant to SDCL 1-26D-4.
2. The Division bears the burden of establishing the alleged statutory violations by clear and convincing evidence.
3. The Division established by clear and convincing evidence that MIDAMERICA violated SDCL § 58-30-193.
4. The Division established by clear and convincing evidence that MIDAMERICA violated SDCL § 58-33-66.
5. The Division established by clear and convincing evidence that the South Dakota Business Entity License of MIDAMERICA is subject to revocation.
6. The Division may revoke or impose any penalty against a person who violates Title 58, even if the person's license or registration has been surrendered or has lapsed by operation of law pursuant to SDCL § 58-30-170.
7. Any additional Conclusions of Law included in the Reasoning section of this decision are incorporated herein by reference.
8. To the extent any of the foregoing are improperly designated and are instead findings of fact, they are hereby redesignated and incorporated herein as Findings of Fact.

Based on the above Findings of Fact, Reasoning, and Conclusions of Law, the Hearing Examiner enters the following:

PROPOSED DECISION

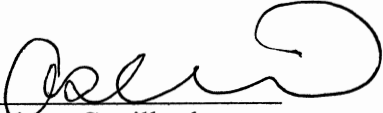
The South Dakota Business Entity License of MIDAMERICA should be revoked.

Dated this 19th day of December, 2016.


Catherine Duenwald, Chief Hearing Examiner
Office of Hearing Examiners
523 East Capitol
Pierre, SD 57501

CERTIFICATE OF SERVICE

I certify on December 20, 2016, at Pierre, South Dakota, a true and correct copy of this Proposed Decision was mailed to each of the parties below.



Ashley Couillard
Office of Hearing Examiners

MIDAMERICA
1007 E 20th St.
Joplin, MO 64804

Benjamin Eirikson
Division of Insurance
124 S. Euclid Ave., 2nd Floor
Pierre, SD 57501