

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 112140
)	
AARON SANDERS,)	ORDER AND CONSENT
Preneed Sales Agent License No.)	ORDER
SA-000008,)	
DOB 06/18/XXXX,)	
)	
and)	
)	
SANDERS FUNERAL CHAPEL, INC.)	
d/b/a SANDERS FUNERAL SERVICES,)	
Preneed Seller License No.)	
PS-000285,)	
)	
Respondents)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of the Respondents Aaron Sanders and Sanders Funeral Chapel, Inc. d/b/a Sanders Funeral Services, pursuant to the provisions of Iowa Code chapter 523A—Cemetery and Funeral Merchandise and Iowa Administrative Code chapter 191—100, the Commissioner enters the following Order and Consent to Order (“Order”):

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code chapter 523A—Cemetery and Funeral Merchandise and Funeral Services and Iowa Administrative Code chapter 191—100 pursuant to Iowa Code § 505.8 and 523A.801.
2. Aaron Sanders (“Sanders”) is an individual with a last-known mailing address of 945 Sumner Street, Waterloo, Iowa 50703.
3. Sanders become licensed in the state of Iowa as a preneed sales agent on August 21, 2007, and his license expired on April 15, 2019.

4. Sanders owns Sanders Funeral Chapel, Inc., d/b/a Sanders Funeral Services (“SFC”), with a last-known business address of 1701 East 4th Street, Waterloo, Iowa 50703.
5. Sanders is the President, Secretary, Treasurer, and Director of SFC, a for-profit business, incorporated in Iowa.
6. SFC became licensed as a preneed seller in the state of Iowa of August 21, 2007, and its license expired on April 15, 2019.
7. Sanders and SFC shall be collectively referred to herein as “Respondents.”
8. Pursuant to Iowa Code § 505.28, Respondents have consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by Iowa Code chapter 523A.
9. From on or about April 15, 2016 to present, Respondents engaged in acts and practices within the state of Iowa constituting cause for denial of any license application, suspension or revocation of their preneed seller and preneed sales agent licenses; the imposition of civil penalties; orders to cease and desist from engaging in such acts or practices; the imposition of costs of the investigation and prosecution of the matter; and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 505.8(10), Iowa Code chapter 523A, and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

10. Sanders was licensed as a preneed sales agent in the state of Iowa from August 21, 2007, until his license expired on April 15, 2019, under preneed sales agent license number SA-000008.
11. SFC was licensed as a preneed seller in the state of Iowa from August 21, 2007, until its license expired on April 15, 2019, under preneed seller license number PS-000285.

12. Respondents voluntarily forfeited their respective licenses in 2010 after an examination by the Division uncovered various issues with Respondents preneed practices, preneed contract forms, and trust account documentation.
13. On January 7, 2013, Sanders submitted an application for a preneed sales agent license and SFC submitted an application for a preneed seller license.
14. On January 28, 2013, the Division issued Respondents a Condition of Licensure, Consent Agreement, and Order imposing requirements for licensure.
15. On May 12, 2014, the Commissioner issued an Order of Suspension for Good Cause due to Sanders's failing to meet the requirements for licensure. The order suspended Sanders's preneed sales agent license for thirty days.
16. On August 6, 2014, the Commissioner issued an Order and Consent to Order allowing the reinstatement of Sanders's preneed sales agent license, contingent upon his compliance with the requirements of the order. Sanders was required to pay a \$500 civil penalty, file his 2014 annual preneed sales agent report, and cease and desist from any further violations of Iowa Code chapter 523A.
17. For years 2016, 2018, 2019, and 2020, Respondents failed to submit complete and accurate annual preneed seller reports and annual preneed sales agent reports, despite significant help and communications from Division staff.
18. For year 2016, Respondents did not pay the entire filing fee.
19. For years, 2018, 2019, and 2020, Respondents did not pay any renewal fees or filing fees.

Unlicensed Activity

20. On April 15, 2019, Sanders's preneed sales agent license and SFC's preneed seller license expired.

21. On May 3, 2019, Sanders entered a prefunded funeral contract with Consumer PB. Sanders signed the contract as the preneed sales agent and identified SFC as the preneed seller.
22. On November 26, 2019, Sanders entered a prefunded funeral contract with Consumer JZ. Sanders signed the contract as the preneed sales agent and identified SFC as the preneed seller.
23. On or about March 27, 2021, Respondents engaged in preneed planning for the benefit of Consumer CC. Respondents accepted a check, dated May 5, 2021, to fund the selected preneed funeral service and merchandise for Consumer CC.

Unpaid Fees

24. Respondents are in debt to the Division \$160 for unreported preneed contracts from 2016, 2018, and 2019.
25. SFC is in debt to the Division \$45 for its 2018, 2019, and 2020 preneed seller license renewal fees.
26. Sanders is in debt to the Division \$30 for his 2018, 2019, 2020 sales agent license renewal.

III. CONCLUSIONS OF LAW

COUNT ONE

Unlicensed Preneed Seller

27. Iowa Code § 523A.102(26) provides, in part:

“Seller” or “preneed seller” means a person doing business within this state, including a person doing business within this state who sells insurance, who advertises, sells, promotes, or offers to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof when performance or delivery may be more than one hundred twenty days following the initial payment on the account whether the transaction is completed or offered in person, through the mail, over the telephone, by the internet, or through any other means of commerce.

28. Under Iowa Code § 523A.501(1), a person is prohibited from advertising, selling, promoting, or offering to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof when performance or delivery may be more than one hundred twenty days following the initial payment on the account without a preneed seller's license. (See also Iowa Administrative Code rule 191—100.11).
29. Sanders has never been licensed as a preneed seller and SFC has not been licensed as a preneed seller since April 15, 2019.
30. Respondents acted as preneed sellers by entering into purchase agreements with at least two consumers for future cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, during a period of time in which they were not properly licensed.
31. Although no written purchase agreement was signed, Respondents engaged in preneed planning for the benefit of Consumer CC and accepted a check to fund the selected preneed funeral service and merchandise.
32. Respondents acted as preneed sellers by accepting advance payment from at least three consumers for future cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, during a period of time in which they were not properly licensed.
33. Under Iowa Administrative Code rule 191—100.41(4)(d), a person with a restricted or expired license is subject to disciplinary action, injunctive action, criminal sanctions, and any other legal remedies available for violations of Iowa Code chapter 523A or any rules adopted pursuant to this chapter.
34. Respondents' acts and practices have been in violation of Iowa Code § 523A.501, subjecting Respondents to the denial of any license applications, suspension, or revocation of their preneed seller and preneed sales agent licenses; the imposition of civil penalties; orders to

cease and desist from engaging in such acts or practices; the imposition of costs of the investigation and prosecution of the matter; and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8, 523A.503, 523A.805 and 523A.807, and Iowa Administrative Code rules 191—100.40 and 191—100.41.

COUNT TWO
Unlicensed Sales Agent

35. Iowa Code § 523A.502(1) requires a person to have a sales license and be a sales agent of a licensed preneed seller in order to advertise, sell, promote, or offer to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof when performance or delivery may be more than one hundred twenty days following initial payment. (See also Iowa Administrative Code rule 191—100.11).

36. Sanders has not been a licensed sales agent since April 15, 2019. Sanders entered into two prefunded funeral contracts in 2019 after the expiration of his sales agent license.

37. Under Iowa Administrative Code rule 191—100.41(4)(d), a person with a restricted or expired license is subject to disciplinary action, injunctive action, criminal sanctions, and any other legal remedies available for violations of Iowa Code chapter 523A or any rules adopted pursuant to this chapter.

38. Respondents' acts and practices have been in violation of Iowa Code § 523A.502, subjecting Respondents to the denial of any license applications, suspension, or revocation of their preneed seller and preneed sales agent licenses; the imposition of civil penalties; orders to cease and desist from engaging in such acts or practices; the imposition of costs of the investigation and prosecution of the matter; and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8, 523A.503, 523A.805 and 523A.807, and Iowa Administrative Code rules 191—100.40 and 191—100.41.

COUNT THREE

Failure to Submit Complete and Accurate Annual Reports

39. Under Iowa Code § 523A.204(1), preneed sellers must file an annual report with the Commissioner on a form prescribed by the Commissioner.
40. Under Iowa Code § 523A.502A(1), preneed sales agents must file an annual report with the Commissioner on a form prescribed by the Commissioner.
41. Under Iowa Administrative Code rule 191—100.15(1)(a), preneed sellers and preneed sales agents must file complete and accurate annual reports according to the form and manner prescribed by the Commissioner and available through the Division’s website.
42. The form prescribed by the Commissioner requires the preneed seller to report all new, cancelled, serviced, and existing purchase agreements for the year along with the license numbers of the preneed seller and sales agent that sold the purchase agreement. The report must also identify the bank routing number or NAIC Company code of the trust.
43. Respondents failed to file complete and accurate annual reports in 2016, 2018, 2019, and 2020.
44. Under Iowa Administrative Code rule 191—100.41(4)(d), a person with a restricted or expired license is subject to disciplinary action, injunctive action, criminal sanctions, and any other legal remedies available for violations of Iowa Code chapter 523A or any rules adopted pursuant to this chapter.
45. Respondents acts and practices have been in violation of Iowa Code §§ 523A.204(1) and 523A.502A(1), subjecting Respondents to the denial of any license applications, suspension, revocation, or the imposition of other disciplinary action related to their preneed seller and sales agent licenses; imposition of civil penalties; orders to cease and desist from engaging in such acts or practices; imposition of costs of the investigation and prosecution of the matter; and any

other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8 and 523A.503, and Iowa Administrative Code rules 191—100.40 and 191—100.41.

IV. ORDER

WHEREFORE IT IS ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapter 523A:

- A. Respondents shall, contemporaneously with the entry of this Consent Order, file complete and accurate annual reports for years 2016, 2018, 2019, and 2020;
- B. Respondents shall timely file a complete and accurate annual report for 2021 and all future years. Respondents' licenses shall lapse should Respondents fail to timely and properly file annual preneed seller or sales agent reports and Respondents' licenses will not be renewed;
- C. Respondents shall, contemporaneously with the entry of this Consent Order, pay outstanding renewal and filing fees in the amount of \$235. Payment shall be made payable to the Iowa Insurance Division, to be credited to the Commerce revolving fund pursuant to Iowa Code § 505.7 and 523A.501(9).
- D. Respondents shall, within fifteen (15) days of this Consent Order, apply for reinstatement of SFC's preneed seller license and Sanders's preneed sales agent license;
- E. Respondents shall, within fifteen (15) days of this Consent Order, pay a civil penalty in the amount of \$5,000.00. The Division will suspend payment of \$4,500 provided Respondents file complete and accurate annual reports for years 2021, 2022, and 2023. Failure to timely file complete and accurate annual reports for years 2021,

2022, and 2023 shall result in the total civil penalty becoming immediately due.

Payment shall be made payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund, to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8 and 523A.807, and Iowa Administrative Code rule 191—100.41.

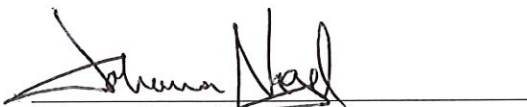
- F. Respondents shall immediately cease and desist advertising, selling, promoting, or offering to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof when performance or delivery may be more than one hundred twenty days following the initial payment on the account without a preneed seller's license and preneed sales agent license and shall cease and desist engaging in acts or practices in violation of Iowa Code chapter 523A; and
- G. These orders may be enforced under the Iowa Code chapters 505 and 523A and additionally, by any collection remedies available to the State of Iowa Department of Revenue for unpaid penalties and other ordered monetary amounts.

SO ORDERED on the 24th day of May, 2022.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



Johanna Nagel
Iowa Insurance Division

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Des Moines, Iowa 50315
(515) 654-6563
johanna.nagel@iid.iowa.gov
ATTORNEY FOR THE DIVISION

Copy to:

Aaron Sanders
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Waterloo, Iowa 50703

Sanders Funeral Chapel, Inc.
1701 East 4th Street
Waterloo, Iowa 50703

Hugh Field
Beecher, Field, Walker, Morris, Hoffman & Johnson, PC
Court Square Building – Suite 300
620 Lafayette Street
PO Box 178
Waterloo, Iowa 50704
ATTORNEY FOR RESPONDENT

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on May 24, 2022.

By: First Class Mail () Personal Service
 Restricted certified mail, return receipt Email, by consent
 Certified mail, return receipt () _____

Signature: Hilary Foster
 Hilary Foster

CONSENT TO ORDER AND AGREEMENT

I, Aaron Sanders, as an individual and in my capacity as an authorized agent of Sanders Funeral Chapel, Inc., Respondents in this matter, have read, understood, and do knowingly consent to this Order in its entirety. By executing this Consent, I understand that I am waiving both Sanders Funeral Chapel, Inc.'s and my rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review.

I further understand this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be shared with other regulatory authorities or governmental agencies, pursuant to Iowa Code § 505.8(8)(d), 523A.808, and 523A.813. I also understand this Order will be posted to the Division's website and a notation will be made to the publicly available website record that administrative action has been taken against me and Funeral Chapel, Inc.

Dated: 2/16/22

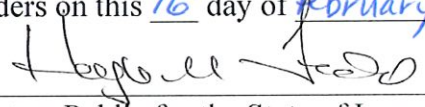


Aaron Sanders, Respondent

945 Sumner St. Waterloo, IA 50703
Address of Signatory


Subscribed and sworn before me by Aaron Sanders on this 16th day of February, 2022.





Notary Public for the State of Iowa

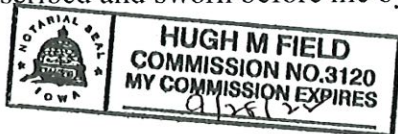
Dated: 2/16/22

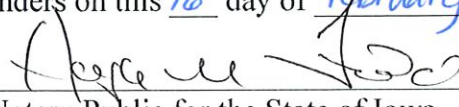


Sanders Funeral Chapel, Inc.
Respondent
By Aaron Sanders, Owner

1701 E. 44th St. Waterloo, IA 50703
Address of Signatory

Subscribed and sworn before me by Aaron Sanders on this 16th day of February, 2022.





Notary Public for the State of Iowa

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that if you violate this Order, you may be subject to administrative and civil penalties pursuant to Iowa Code chapter 523A. The Commissioner may petition the district court to hold a hearing to enforce the order as certified by the Commissioner. The district court may assess a civil penalty against you and may issue further orders as it deems appropriate.

NOTICE OF IMPACT OF FINAL ORDER

A final order of license probation, suspension, restriction, or revocation or a cease and desist order may adversely affect other existing business or professional licenses and may result in license revocation or disciplinary action.

A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this order. It may result in criminal law enforcement authorities, including the fraud bureau of the Iowa Insurance Division, pursuing a criminal investigation or prosecution of potential criminal law violations.