

BEFORE THE IOWA INSURANCE COMMISSIONER

**IN THE MATTER OF
GREGORY MESSMORE
LIC NO: IA133364**

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**DIVISION FILE NO: 51365
ORDER AND CONSENT TO ORDER**

COMES NOW the Iowa Insurance Division ("Division"), represented by Assistant Commissioner of Insurance, Rosanne Mead, pursuant to the provisions of the Iowa Licensing of Insurance Producers Act – chapter 522B (the "Act/Acts") and the Uniform Securities Act – chapter 502 (Securities Act/Acts), regarding Gregory Messmore's violations of the Act. Gregory Messmore neither admits nor denies the violations contained in this Order and consents to the entry of this Order. Gregory Messmore admits that the Iowa Insurance Division has personal jurisdiction over him and subject matter jurisdiction over this matter.

JURISDICTION AND PARTIES

1. The Commissioner of Insurance, Susan Voss, pursuant to Iowa Code section 505.8 (2005), administers the Act and the Securities Act pursuant to Iowa Code section 502.601.
2. Gregory Messmore (Respondent), last known address of 55 Granite Court, Mason City, Iowa 50401, is licensed to sell insurance in the State of Iowa and holds producer license number IA133364.
3. Respondent is licensed as an Iowa securities agent with CRD number 1917951.

4. Respondent has engaged in acts or practices within the State of Iowa constituting a violation of Iowa Code Chapters 502, 507B and 522B or any rule or order adopted or issued pursuant to Iowa Code Chapters 502, 507B and 522B.

FACTUAL BACKGROUND

5. Respondent recommended variable life insurance and annuities for an Iowa consumer who was in her eighties at the time of the transactions.

6. The consumer had investable assets of \$111,267. The premiums for the variable life insurance policy totaled \$200,000.

7. The Respondent represented to the consumer that the policy would safeguard her assets and provide a good income. When the consumer received premium notices, she did not pay them because the Respondent told her that the notices were mistakes.

8. The policy lapsed and the client lost approximately \$30,000.

9. The consumer did not have a need for life insurance. She was 85 years old in 2003 and had only \$111, 267 in investable assets.

10. There are no delivery receipts to show that these policies were delivered to the consumer.

UNSUITABLE SALE

11. Iowa Code section 507B.3 states that a person shall not engage in this state in any trade practice which is defined to be a deceptive act or practice in the business of insurance.

12. Iowa Administrative Code 191-15.8(4) states that a producer shall not recommend to any person the purchase, sale or exchange of any life insurance policy

or annuity, without reasonable grounds to believe that the transaction is not unsuitable for the person based upon reasonable inquiry concerning the person's insurance objectives, financial situation and needs, age and other relevant information known by the producer.

13. By engaging in the conduct stated above, Respondent made three unsuitable sales in violation of Chapter 507B and Iowa Administrative Code 191-15.8(4).

LACK OF CHARACTER AND COMPETENCY NECESSARY TO HOLD AN INSURANCE LICENSE

14. Iowa Code Section 522B.11(1)(h) states that the Iowa Insurance Commissioner may place on probation, suspend, revoke or refuse to issue or renew a producer's license for using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

15. Respondent's misconduct stated above, and using his position as a trusted financial advisor to an elderly consumer to persuade her to invest her savings in an unsuitable investment, demonstrates a lack of the character and competence required to hold an insurance producer license.

16. The commissioner may place on probation, suspend, or revoke a producer's license or levy a civil penalty as provided in section 522B.17 upon a finding that the producer violated any of the causes listed in Iowa Code section 522B.11(1).

VIOLATION OF INSURANCE REGULATIONS

17. Iowa Code § 522B.11(1) states that the Iowa Insurance Commissioner may place on probation, suspend, revoke, or refuse to issue or renew a producer's license for a number of causes. Violating any insurance laws, or violating any regulation, subpoena, or order of the commissioner or of a commissioner of another state is a cause enumerated under Iowa Code Section 522B.11(1)(b)

18. Respondent violated insurance laws as stated above.

SECURITIES LICENSE

19. Iowa Code section 502.412(4)(m) states that a person may be disciplined if the person has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance or insurance business with the previous ten years.

20. Respondent's unsuitable sales are dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance or insurance business within the previous ten years.

21. Respondent neither admits nor denies the alleged violations, but acknowledges that those allegations, if proven, would be sufficient to support disciplinary action by the Insurance Division, including but not limited to, suspension and/or revocation of his licensed and imposition of civil penalties, as provided by law.

ORDER

A. It is therefore ordered that the insurance producer license of Gregory Messmore in the State of Iowa is hereby suspended effective as of the date of the signing of this Order and Consent to Order with the Iowa Insurance Division and the Commissioner will refuse to issue an insurance producer's license for a period of no less than five years. There is no promise or assurance that Gregory Messmore will be issued an Iowa license in the future.

B. It is further ordered that, pursuant to Iowa Code section 502.412(4)(m), the securities agent license of Gregory Messmore in the State of Iowa is hereby suspended effective as of the date of the signing of this Order and Consent to Order with the Iowa Insurance Division and the Respondent is barred from applying for an Iowa securities agent license for a period of no less than five years. There is no promise or assurance that Gregory Messmore will be issued a securities agent license in the future.

C. Nothing contained in this Order shall be construed to deprive any person or entity of any private right of action under any law.

D. Nothing contained in this Order shall be construed to limit the authority of the Division to enforce laws, regulations, or rules against Messmore.

E. The Iowa Insurance Division reserves its right to take Administrative Action for any violation of the Iowa insurance statutes and/or regulations unknown to the Division at the date of the signing of this Order and Consent to Order.

Dated this 22 day of February, 2007.

Iowa Insurance Division



ROSANNE MEAD
Assistant Commissioner of Insurance

CONSENT TO ORDER

I, Gregory Messmore, have read, understood, and do knowingly consent to this Order in its entirety without admitting or denying the charges. By executing this consent, I understand that I am waiving my rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review. I also understand that this Order is considered final administrative action that shall be reported by the Division to the Central Registration Depository, if I am securities licensed, and, if I am insurance licensed, to the National Association of Insurance Commissioners and to all insurance companies with which I am actively appointed. I also understand that this Order is a public record under Iowa Code chapter 22 (2005), that will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code section 505.8(6)(c) (2005). I also understand that the information contained in the Order will be posted to the Division's web site and a notation will be made to my publicly available web site record that administrative action has been taken against me.

Dated this 19th day of Jan, 2007.

Gregory Messmore
Gregory Messmore
Gregory Messmore

Subscribed and sworn before me by Gregory Messmore on this
19th day of January, 2007.

Shelley D. Moore
Notary Public for the State of Iowa

