

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

RECEIVED  
INSURANCE DEPARTMENT  
2007 APR 13 PM 12:56  
ADMIN HEARINGS OFFICE

In Re: :  
: :  
JOHN S. KACKLOUDIS : Pursuant to sections 611-A(1), (2), (3), (7),  
1122 Worthington Heights Blvd. : (14) and (20) of Act 147 of 2002 (40 P.S.  
Columbus, OH 43235 : §§310.11)  
: :  
Respondent : Docket No. CO07-02-027

CONSENT ORDER

---

AND NOW, this 11th day of April, 2007, this Order is hereby issued by the Commonwealth of Pennsylvania Insurance Department pursuant to the statutes cited above and in disposition of the matter captioned above.

1. John S. Kackloudis ("Respondent") hereby admits and acknowledges that he has received proper notice of his rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. §101 et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

### FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following Findings of Fact:

- (a) Respondent is John S. Kackloudis and maintains his address at 1122 Worthington Heights Boulevard, Columbus OH, 43235.
- (b) Respondent was convicted in 1983 of failure to register a security, a felony in violation of 15 U.S.C. §77e(a).
- (c) Respondent submitted applications for a non-resident insurance producer license to the Department in which he failed to disclose having ever been convicted of a felony or misdemeanor.
- (d) Thereafter, Respondent submitted an application for a non-resident insurance producer license to the Department on or about August, 2005 in which he disclosed his felony conviction to the Department.
- (e) Respondent's license application of August, 2005 was denied by the Department.
- (f) Respondent has been granted a waiver to engage in the business of insurance pursuant to 18 U.S.C. §1033 by his home state of Ohio, where he was originally licensed as an insurance agent in 1973.

## CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
  
- (b) Respondent's activities described above constitute violations of Pennsylvania Insurance laws, specifically:
  - (i) Respondent provided incorrect, misleading, incomplete or false information to the Department in a license application. 40 P.S. §310.11(1).
  - (ii) Respondent violated the insurance laws or regulations of this Commonwealth. 40 P.S. §310.11(2).
  - (iii) Respondent attempted to obtain a license through misrepresentation or fraud. 40 P.S. §310.11(3).
  - (iv) Respondent used fraudulent, coercive or dishonest practices or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in the Commonwealth or elsewhere. 40 P.S. §310.11(7).
  - (v) Respondent committed a felony or its equivalent. 40 P.S. §310.11(14).

- (vi) Respondent demonstrated a lack of general fitness, competence or reliability sufficient to satisfy the Department that the Respondent is worthy of licensure. 40 P.S. §310.11(20).
  
- (c) 40 P.S. §310.11 and 40 P.S. §310.91 allow the Department to deny an application for a license where a Respondent does not possess the professional competence and trustworthiness required to engage in the business of insurance.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent understands his rights to a formal administrative hearing in this matter and hereby waives the same. Respondent further agrees that the agreements contained herein shall have the same force and effect of an Order entered in accordance with Administrative Agency Law, 2 Pa.C.S. §101 et seq. or other applicable law.
  
- (b) Respondent shall cease and desist from any future violations of Pennsylvania insurance laws.
  
- (c) Respondent shall pay a civil penalty of five thousand dollars (\$5,000.00)

to the Commonwealth of Pennsylvania. Payment of this penalty shall be made by certified check or money order, payable to the Commonwealth of Pennsylvania and should be directed to Sharon L. Fraser, Administrative Assistant, Bureau of Enforcement, 1227 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment must be made no later than thirty (30) days after the date of the execution of this Consent Order by the Department.

- (e) Following the execution and filing of this Consent Order and satisfactory payment of the civil penalty described herein, Respondent may reapply for licensure without consideration by the Department of the above violations.
- (f) In the event that Respondent should ever become licensed by the Department in the future, his licenses may be immediately suspended by the Department following its investigation and determination that (i) any terms of this Order have not been complied with, or (ii) any complaint against Respondent is accurate and a statute or regulation has been violated. The Department's right to act under (ii) above is limited to a period of five (5) years from the date of issuance of such licenses.
- (g) Respondent specifically waives his right to prior notice of said suspension, but will be entitled to a hearing upon written request

received by the Department no later than thirty (30) days after the date the Department mailed to Respondent by certified mail, return receipt requested, notification of said suspension, which hearing shall be scheduled for a date within sixty (60) days of the Department's receipt of Respondent's written request.

- (h) At the hearing referred to in paragraph 5(g) of this Order, Respondent shall have the burden of demonstrating that he is worthy of an insurance license.
- (i) In the event Respondent's certificates and licenses are suspended pursuant to paragraph 5(f) above, and Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that she is worthy of a license, Respondent's suspended licenses shall be revoked.
- (j) In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: the Department may enforce the provisions of this Order in any administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law or, if applicable, the

Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

- (k) Alternatively, in the event the Insurance Department finds that there has been a breach of any provisions of this Order, the Insurance Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.
- (l) In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact or Conclusions of Law contained herein.
- (m) Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

6. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all parties hereto.

7. Miscellaneous:

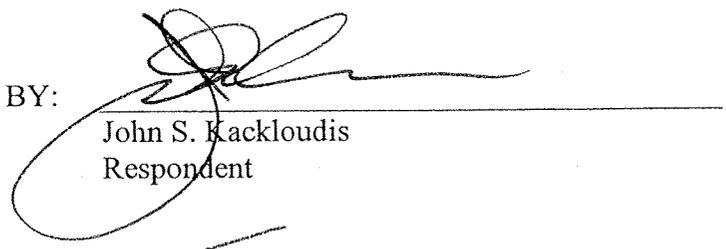
- (a) Captions and Section headings. Captions used herein are for

convenience only and are not part hereof and shall be used in construing this Consent Order.

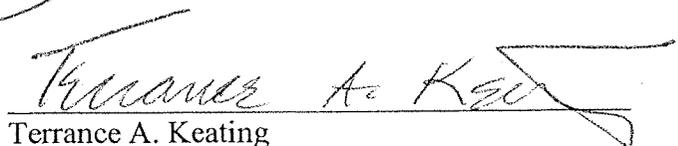
- (b) Governing Law. This Consent Order shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania.
- (c) Copies. This Consent Order may be executed in multiple copies, each of which shall be treated as an original.

8. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or his duly authorized delegee is authorized to bind the Insurance Department with respect to the matters addressed herein, and this Consent Order is not effective until executed by the Insurance Commissioner or his delegee.

BY:



John S. Kackloudis  
Respondent



Terrance A. Keating  
Deputy Chief Counsel  
On behalf of the Commonwealth of  
Pennsylvania Insurance Department