

**N. C. DEPARTMENT OF INSURANCE AGENT SERVICES DIVISION
RALEIGH, NORTH CAROLINA**



**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF THE LICENSURE
OF AMERICAN PORTFOLIO SERVICES, INC.
NPN: 1985955**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, American Portfolio Services, Inc. (hereinafter “APFS”) and the Agent Services Division of the N.C. Department of Insurance (hereinafter “Agent Services Division”), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter “this Agreement”).

WHEREAS, the Agent Services Division has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agencies and agents; and

WHEREAS, APFS currently holds a Non-Resident Business Entity license issued by the Agent Services Division; and

WHEREAS, N. C. Gen. Stat. § 58-33-46(a)(1) provides that the Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of Chapter 58 of the General Statutes of North Carolina for providing materially incorrect, misleading, incomplete, or materially untrue information in the license application; and

WHEREAS, APFS on its February 22, 2021 and February 19, 2022 license renewal applications for a Non-Resident Business Entity license inaccurately answered “No” to background question 2 thereon regarding its involvement in past administrative actions taken against its license; and

WHEREAS, information brought to the attention of the Agent Services Division revealed that APFS was involved in an administrative proceeding before the Securities and Exchange Commission [“SEC”]. In particular, effective November 13, 2020, the SEC entered against APFS an Order Instituting Administrative and Cease-And-Desist Proceedings, Pursuant to Section 15(b) of the Securities Exchange Act of 1934, and Sections 203(e) and 203(k) of the Investment Advisors Act of 1940, Making Findings and Imposing Remedial Sanctions and a Cease-And-Desist Order; and

WHEREAS, APFS, by failing to include information regarding its involvement in the past SEC administrative proceeding on its license renewal applications as required thereon was in violation of the provisions of N.C. Gen. Stat. § 58-33-46(a)(1); and

WHEREAS, North Carolina General Statute § 58-33-46(a)(2) provides that the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew any license issued under Article 58 of the General Statutes of North Carolina for violating any insurance law of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or of another state’s regulator; and

WHEREAS, N. C. Gen. Stat. § 58-2-70 provides that whenever the Commissioner has reason to believe that any person has violated any law that would subject the license or certification of that person to suspension or revocation, the Commissioner is authorized, in lieu of a hearing, to negotiate a mutually acceptable agreement as to the status of the person's license or certificate or to any civil penalty or restitution; and

WHEREAS, APFS has agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against APFS; and

NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, APFS and the Agent Services Division hereby agree to the following:

1. Immediately upon the signing of this Agreement, APFS shall pay a civil penalty of **\$500.00** to the Agent Services Division. The form of payment shall be by certified check, cashier's check, or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." APFS shall remit the civil penalty by certified mail, return receipt requested, to the Agent Services Division along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Agent Services Division no later than **January 20, 2023**. The civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.
2. This Agreement does not in any way affect the Agent Services Division's disciplinary power in any future examination of APFS or in any other complaints involving APFS.
3. APFS enters into this Agreement freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter. APFS understands that it may consult with an attorney prior to entering into this Agreement.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. APFS understands that N.C.G.S. § 58-33-46(a)(2) provides that a business entity's license may be revoked for violating an Order of the Commissioner.
5. This Agreement, when finalized, will be a public record and will **not** be held confidential by the Agent Services Division. Following the execution of this Agreement, all licenses issued by the Agent Services Division to APFS shall reflect that Regulatory Action has been taken against it. The Agent Services Division is free to disclose the contents of this Agreement with third parties upon request or pursuant to any law or policy providing for such disclosure. The Agent Services Division, upon request, will routinely provide a copy of the voluntary settlement agreement to all companies that have appointed the licensee.
6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
7. Be aware that if a state or federal regulator other than the Agent Services Division has issued an occupational or professional license to APFS, that regulator may require APFS to report this

administrative action to it. The Agent Services Division cannot give APFS legal advice as to the specific reporting requirements of other state or federal regulators.

American Portfolio Financial Services, Inc.
License No. 1985955



By: Craig Vollono

Date:

January 20, 2023

N.C. Department of Insurance
Agent Services Division



By: Angela Hatcher
Deputy Commissioner

Date:

1/27/2023