

**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF
THE LICENSURE OF
THOMAS C. BRADLEY

FINAL AGENCY DECISION

Docket Number: D-1185

This matter was heard by the undersigned hearing officer, as designated by the North Carolina Commissioner of Insurance, hereinafter "Commissioner," on March 9, 2005, in the Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. Assistant Attorney General Diane G. Miller appeared for the Agent Services Division of the North Carolina Department of Insurance, hereinafter "the Department," and Thomas C. Bradley, hereinafter "Bradley," appeared and was not represented by counsel. The hearing officer, after careful consideration and based on the record as a whole, makes the following:

Findings of Fact

1. A Notice of Hearing was properly served on Bradley as evidenced by the Affidavit of Service.
2. Process was completed on December 10, 2004, as set out in Department of Insurance Exhibit #2.
3. Notice in this matter was timely and properly effected.
4. Bradley currently holds licenses as a Life and Health agent and a Medicare Supplement/Long-term Care agent, issued by the Department pursuant to the provisions of Article 33, Chapter 58 of the General Statutes of North Carolina.
5. Bradley was issued a resident Life and Health agent license on October 14, 1988, and a Medicare Supplement/Long-term Care agent license on October 1, 1997.

6. On or about January 1, 1976, Bradley and his agency manager were fined \$500.00 by the California Insurance Commissioner for an administrative error relating to business submitted by a new agent under his supervision. The Administrative department responsible for processing and submitting insurance applications to the home office for underwriting at the agency where Bradley was working, processed a life application before the writing agent received his California license. In 1988, when Mr. Bradley completed his North Carolina application for licensure as a life and Health agent he failed to report this regulatory action to the Commissioner and in 1997, when he completed his application for licensure as a Medicare Supplement/Long-term Care agent he failed to report this regulatory action to the Commissioner.

7. A Letter of Acceptance, Waiver and Consent, hereinafter "AWC," was signed by Bradley on January 10, 2001, and accepted by the National Association of Securities Dealers, hereinafter "NASD," on March 8, 2001. In the AWC, Bradley accepted and consented, without admitting or denying the following allegations:

During the period from on or about October 3, 1997, through on or about August 25, 1998, Thomas C. Bradley participated in private securities transactions without providing prior written notice to the member firm with which he was associated, describing in detail the proposed transactions and his proposed role therein, and stating whether he had received or would receive selling compensation in connection with the transactions. Specifically, Thomas C. Bradley sold promissory notes on behalf of a marketing entity know as "The Strategic Management Group," in amounts totaling \$345, 487.00 to 12 public customers without providing prior written notice to his employer member firm.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3040 by Thomas C. Bradley.

8. Under the terms of the AWC, Bradley consented to the following sanction:

A monetary fine in the amount of \$7,500.00, and disgorgement of unjust profits to the customers listed on Attachment A hereto in the total amount of \$17,5000.00. Further, Thomas C. Bradley is

suspended for one year from association with any member of the Association in any capacity, said suspension to commence on a date set by the Association.

Payment of the fine and satisfactory proof of disgorgement shall be a prerequisite to reassociation with a member firm following the one-year suspension noted above, or prior to any application or request for relief from any statutory disqualification. If for any reason I cannot locate any customers identified in Attachment A after reasonable and documented efforts within such periods, or such additional period agreed to by the staff, I shall forward any undistributed disgorgement to the appropriate escheat, unclaimed property, or abandoned property found for the state in which the customer is last known to have resided.

9. Bradley chose to not re-associate himself with the NASD and therefore it was not necessary to pay the monetary fine or restitution of unjust profits.

10. Bradley did not notify the Commissioner of this regulatory action by NASD.

11. On April 17, 2000, Secretary of State of North Carolina issued a cease and desist order against Bradley, individually, and doing business as Bradley Associates from (1) offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, securities in the form of promissory notes of South Mountain Resort and Spa, Inc. or any other security of any issuer howsoever denominated, unless and until such securities have been registered pursuant to the provisions of the North Carolina Securities Act, (2) offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, securities in the form of promissory notes of South Mountain Resort and Spa, Inc. or any other security of any issuer howsoever denominated, unless and until Bradley becomes properly registered as a dealer or salesman pursuant to the provisions of the North Carolina Securities Act, (3) in connection with the offer, sale or purchase of any security, omitting to state material facts necessary in order to make statements made, in light of circumstances under which such statements were made, not misleading, and (4) in connection with the offer, sale or purchase of any security, making any misrepresentation of material fact.

12. Bradley and the Secretary of State of North Carolina entered into a settlement agreement on or about September 7, 2001. Bradley did not inform the Commissioner of the cease and desist order that was issued against him by the Secretary of State for North Carolina, or of the settlement agreement he entered into with the Secretary of State for North Carolina.

13. On or about January 31, 2001, Bradley filed for Chapter 13 bankruptcy in the United States Bankruptcy Court, Middle District of North Carolina. On or about April 30, 2001, Bradley filed for conversion from Chapter 13 bankruptcy to Chapter 7 bankruptcy. Bradley did not notify the Commissioner of the commencement of either of these bankruptcy proceedings.

14. From 1997 until November 1999 Bradley sold promissory notes issued by Tri-National Development Corporation in an approximate amount of \$1,573,941.42 to approximately thirty-six North Carolina consumers. These promissory notes are non-exempt and non-registered securities. The sale of these notes is in violation of N.C. Gen. Stat. § 78A-36(a). Bradley sold these notes without providing prior written notice to the member firm with which he was associated, describing in detail the proposed transactions and his proposed role therein, and stating whether he had received or would receive selling compensation in connection with the transactions.

Based on the foregoing Findings of Fact, the hearing officer makes the following:

Conclusions of Law

1. This matter is properly before the Commissioner of Insurance and he has jurisdiction over the parties and the subject matter pursuant to Chapter 58 of the North Carolina General Statutes.

2. Bradley provided materially incorrect, incomplete and untrue information on his application for licensure as a Life and Health agent and a Medicare Supplement/Long-term Care

agent which constitutes grounds for revoking his licenses pursuant to N.C. Gen. Stat. § 58-33-46(a)(1).

3. Bradley has demonstrated untrustworthiness and financial irresponsibility in the conduct of business in this State which constitutes grounds for revoking his licenses pursuant to N.C. Gen. Stat. § 58-33-46(a)(8).


4. Bradley has violated insurance laws which is grounds for revoking his licenses pursuant to N.C. Gen. Stat. § 58-33-46(a)(2).

Based on the foregoing Findings of Fact and Conclusions of Law, the hearing officer enters the following:

Order

Bradley's Life and Health agent license and Medicare Supplement/Long-term Care agent license are revoked.

This the 8th day of April, 2005.


Stewart L. Johnson
Hearing Officer

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing FINAL AGENCY DECISION by certified mail, return receipt requested, first class postage prepaid, addressed as follows:

Thomas C. Bradley
P.O. Box 1888
Pinehurst, N.C. 28370

This the 8th day of April, 2005.



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