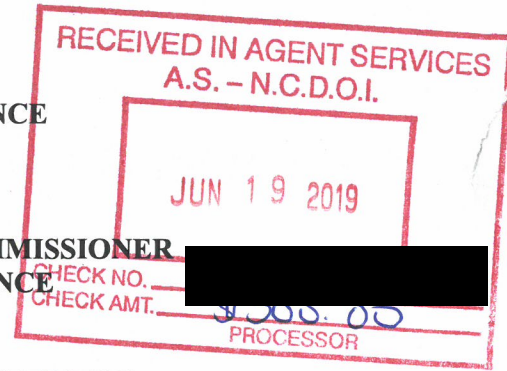


NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA



STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF
THE LICENSURE OF
ANTHONY BROADWAY
LICENSE NO. 0015875052

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, Anthony Broadway (hereinafter "Mr. Broadway") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Department has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agents; and

WHEREAS, Mr. Broadway currently holds a resident producer's license with authority for Life Property and Casualty lines of insurance and a Surety Bail Bondsman's license issued by the Department; and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(4) 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 NC for improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business; and

WHEREAS, 11 NCAC 04.0429 provides that the accounting records maintained by agents, brokers, and limited representatives shall be separate and apart from any other business records, and demonstrate that collected funds due to insurers and return premiums due to policyholders are available at all times; and

WHEREAS, N.C. Gen. Stat. § 58-33-26(a) and (b) provide that no person shall act or hold himself or herself out to be agent, broker, limited representative, adjuster, or motor vehicle damage appraiser unless duly licensed; or make application for, procure, negotiate for, or place for others, any policies for any kinds of insurance as to which that person is not then qualified and duly licensed, and ; and

WHEREAS, N.C. Gen. Stat. § 58-2-185 provides that all companies, agents, or brokers doing any kind of insurance business in this State must make and keep a full and correct record of the business done by them, showing the number, date, term, amount insured, premiums, and the persons to whom issued, of every policy or certificate or renewal, and that information obtained from these records must be furnished to the Commissioner on demand, and the original books of records shall be open to the inspection of the Commissioner when demanded; and

WHEREAS, N. C. Gen. Stat. § 58-33-46(a)(8) 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

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General Statutes of NC, for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere; and

WHEREAS, a Department routine audit was conducted of Broadway Insurance Group (BIG) owned and operated by Anthony Broadway on January 28, 2019; and

WHEREAS, a review of the agency's premium bank statements reflected twelve (12) negative balances, \$555.00 in insufficient fund fees, \$15.00 in miscellaneous fees, and \$30.00 in returned check fees; in addition it appears that monies have been transferred in and out of the account for non-premium purposes and funds have not always been available to the insurers in violation of the provisions of N.C. Gen. Stat. § 58-33-46(a)(4) and 11 NCAC 04.0429; and

WHEREAS, a review of the agency's records showed that the agency and Mr. Broadway have not been reconciling receipts to deposits and maintaining deposit tickets, which did not allow the examiners to trace receipts to deposits because of the poor recordkeeping in violation of the provisions of N.C. Gen. Stat. § 58-2-185; and

WHEREAS, in the course of reviewing the agency's files, examiners observed a commercial certificate of insurance placed with Sirius American Insurance Company, for which neither Mr. Broadway nor his associate who signed the policy, were appointed; such transaction requiring a broker's license, which Mr. Broadway did not hold, a violation of N.C. Gen. Stat. § § 58-33-26(a) and (b); and

WHEREAS, the violations found in the course of the examination of Broadway Insurance Group (BIG) and Mr. Broadway, who is responsible for BIG's operations, demonstrate incompetence and financial irresponsibility on the part of Mr. Broadway sufficient to support suspension, probation revocation or non-renewal of Mr. Broadway's license as provided in N. C. Gen. Stat. § 58-33-46(a)(8); and

WHEREAS, as a result of the violations discovered by the audit, Mr. Broadway was required to submit a written plan of action to prevent such occurrences in the future, which he did by a document dated April 5, 2019 and submitted to the Department; and

WHEREAS, N. C. Gen. Stat. § 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, Mr. Broadway has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of himself, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Mr. Broadway; and

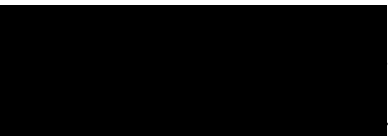
WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing and have reached a mutually agreeable resolution of this matter as set out in this Agreement.

NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, Mr. Broadway and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Broadway shall pay a civil penalty of **\$500.00** to the Department. 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." Mr. Broadway shall remit the civil penalty by certified mail, return receipt requested, to the Department along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Department no later than **June 17, 2018**. 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. Mr. Broadway in his written plan of action dated April 5, 2019 informed the Department that he has obtained his broker's license in February 2019 to avoid future violations of N.C. Gen. Stat. 58-33-26(a) and (b); to correct prior and avoid future occurrences of violations of 11 NCAC 04.0429, N.C. Gen. Stat. 58-33-46(4) and 58-33-46(8), Mr. Broadway and his agency will no longer accept any cash payments, requiring insureds to pay by credit card or money order thereby reducing the number of transactions flowing through the premium trust account and to automate the agency by 90%; and has created a separate book for all payment receipts and daily deposit slips, which will be entered daily and bank receipts are to be reconciled at the end of each month to avoid future occurrences of violations of N.C. Gen. Stat. § 58-2-185.
3. Mr. Broadway is required and agrees to maintain the procedures he has represented by preparation of his written plan of action, and that he has implemented to prevent the reoccurrence of the violations set forth in this Agreement, and is required and agrees to obtain Department approval for any changes thereto; and the Department reserves the right to make any follow up examinations of Mr. Broadway's agency without prior notice to assure compliance; and any non-adherence to this requirement by Mr. Broadway shall constitute a violation of an Order of the Commissioner pursuant to Paragraph No. 6. below; and
4. This Agreement does not in any way affect the Department's disciplinary power in any future examination of Mr. Broadway or in any other complaints involving Mr. Broadway.
5. Mr. Broadway enters into this Agreement, on behalf of himself, freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Broadway understands he may consult with an attorney prior to entering into this Agreement.
6. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Broadway understands that N.C.G.S. § 58-33-46(a)(2) and 58-71-80(a)(7) provide respectively that a producer's license and surety bail bondsman's license may be revoked for violating an Order of the Commissioner.
7. This Agreement, when finalized, will be a public record and will **not** be held confidential by the Department. Following the execution of this Agreement, all licenses issued by the Department to Mr. Broadway shall reflect that Regulatory Action has been taken against him. The Department 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 Department routinely provides copies of voluntary settlement agreement to all companies that have appointed the licensee.
8. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

9. Be aware that if a state or federal regulator other than the N. C. Department of Insurance has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The N.C. Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

N. C. Department of Insurance


By: **Anthony Broadway**
License No. **0015875052**


By: **Angela Hatchell**
Deputy Commissioner

Date: 6-13-19

Date: 6/25/19