

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 JEFF CATO

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COMES Jeff Cato (hereinafter "Cato") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "Agreement"):

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

WHEREAS, Cato holds Life & Health and Property & Liability agent licenses issued by the Department; and

WHEREAS, Agent Cato was employed with RBC Insurance as an insurance agent; and

WHEREAS, the Agent Services Division (hereinafter "ASD") of the Department received a referral from the Market Examinations Division concerning a complaint by RBC Insurance that Agent Cato replaced thirteen (13) life insurance policies without completing the required life insurance replace forms, in violation of insurance laws; and

WHEREAS, Agent Cato was terminated by RBC as a result of an internal investigation of this matter; and

WHEREAS, ASD conducted an informal conference with Agent Cato to discuss the life replacement violation on eight (8) policies on August 22, 2005. During this conference, Agent Cato stated that he received no replacement policy training on RBC life insurance policies, and that he received no financial gain from the reporting violation; and

WHEREAS, ASD received information that Agent Cato did receive training regarding life replacement policies and received higher commissions on said policies; and

WHEREAS, ASD has determined that the actions of Agent Cato appear to be in violation of N.C. Gen. Stat. § 58-33-46 and 11 N.C.A.C. §12.0605; and

WHEREAS, Agent Cato has agreed to pay an administrative fine of \$50.00 per improperly replaced life insurance policies for a total of \$400.00; and

WHEREAS, the parties have reached a mutually agreeable resolution of this matter as set out in this document.

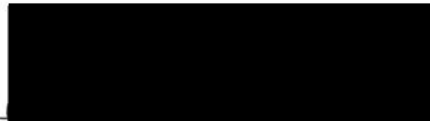
NOW, THEREFORE, in exchange for the consideration of the promises and agreements set out herein, the Department and Agent Cato hereby agree to the following:

1. Agent Cato shall obey all laws and regulations applicable to a licensed insurance agent.
2. Contemporaneously with the execution of this document, Agent Cato shall pay a civil penalty of four hundred dollars (\$400.00) to the Department. The check for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." This 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 the public schools.
3. The parties to this document agree that the Superior Court of Wake County shall be the venue for any actions seeking to enforce this document.
4. This Agreement, when finalized, will be a public record and is not confidential. Any and all licenses issued by the Department to the licensee shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. 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.
5. If, for any reason, any part or provision of this document is found to be void or unenforceable, the other parts and provisions shall remain in full force and effect.
6. The parties to this document have read and understand this document and agree to abide by the terms and conditions contained herein.

This the 15th day of May, 2006.



Jeff Cato



North Carolina Department of Insurance

By Angela K. Ford
Senior Deputy Commissioner

5-15-06