

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

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STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF THE
LICENSURE OF
STEVEN CHASTAIN
LICENSE NO. 7773682

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, STEVEN CHASTAIN (hereinafter "Mr. CHASTAIN") 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 insurance laws of this State, and for regulating and licensing Public Adjusters pursuant to Article 33A of Chapter 58 of the North Carolina General Statutes; and

WHEREAS, Mr. Chastain holds an active license as a non-resident public adjuster issued by the Department; and

WHEREAS, Mr. Chastain holds an active resident license as a public adjuster in Georgia, is a resident of Ellijay, Georgia, and is sole owner and proprietor of Nation Wide Public Adjusters ("NWPA"). NWPA is currently registered as a non-profit domestic corporation with the Georgia Secretary of State; and

WHEREAS, pursuant to N.C.G.S. § 58-33A-45, the Commissioner may deny, suspend, revoke, or refuse to issue or renew any license under Article 33A of Chapter 58 of the North Carolina General Statutes and in accordance with N.C.G.S. § 58-2-70 for failure to comply with or violation of the provisions of Chapter 58 of the North Carolina General Statutes or of any order, rule or regulation of the Commissioner; and

WHEREAS, on or about October 1, 2018, Mr. Chastain entered into a Public Adjuster Contract "Contract" with Ms. Kathleen Gallagher following damage to her home in Hampstead, North Carolina. Ms. Gallagher's home maintained extensive damage on or about September 14, 2018 as a result of Hurricane Florence; and

WHEREAS, Ms. Gallagher filed a complaint with the North Carolina Department of Insurance on or about October 31, 2018, concerning several matters related to Mr. Chastain and

NWPA; and

WHEREAS, Ms. Gallagher's complaint was subsequently referred to the Agent Services Division of the Department. Upon receipt of Ms. Gallagher's complaint the Agent Services Division initiated an investigation of Mr. Chastain and NWPA; and

WHEREAS, Mr. Chastain has subsequently taken steps to come into compliance with Article 33A of Chapter 58 of the North Carolina General Statutes, including obtaining a Public Adjuster license for NWPA on or about April 24, 2019, and taking steps to correct NWPA's registration with the Georgia Secretary of State; and

WHEREAS, Mr. Chastain violated N.C.G.S. § 58-33A-45(a)(1) when he answered "No" to the screening questions on his Dec. 14, 2014 North Carolina public adjusters license application regarding whether he had former criminal convictions or former administrative actions in others states, as he did in fact have a former criminal conviction and a former administrative action by the Georgia Department of Insurance. Mr. Chastain maintains that his failure to disclose the criminal conviction and administrative action on the license application was inadvertent and not purposeful; and

WHEREAS, the public adjuster contract between Mr. Chastain and Ms. Gallagher also listed NWPA as the contracting party, and checks issued by the insurance company in connection with Ms. Gallagher's claim were issued to NWPA as a payee; and

WHEREAS, Mr. Chastain violated N.C.G.S. § 58-33A-10(c) because NWPA was not licensed as a public adjuster in North Carolina at the time NWPA was listed as a contracting party with Ms. Gallagher and at the time checks were issued by the insurance company to NWPA as a payee in connection with Ms. Gallagher's claim; and

WHEREAS, Mr. Chastain held the first check issued by the insurance company in the amount of \$11,417.25 in connection with Ms. Gallagher's claim for approximately 3 months, and thereafter withheld his public adjuster's fee of \$5,355.81 before releasing the remaining funds of \$6,061.44 to Ms. Gallagher on or about February 8, 2019; and

WHEREAS, Mr. Chastain violated N.C.G.S. §§ 58-33A-45(a)(4) and 58-33A-65(e)(1) by improperly withholding payment to Ms. Gallagher for approximately 3 months and by taking his public adjusters fee out of the first check issued by the insurance company pursuant to Ms. Gallagher's claim which resulted from a catastrophic event; and

WHEREAS, Mr. Chastain admits to the violations set out herein; and

WHEREAS, Mr. Chastain's violations of N.C.G.S. §§ 58-33A-10(c), 58-33A-45(a)(1), 58-33A-45(a)(4) demonstrate a failure to comply with the provisions of Chapter 58 of the North Carolina General Statutes for which Mr. Chastain's public adjuster's license could be revoked, suspended, or not renewed pursuant to N.C.G.S. § 58-33A-45; and

WHEREAS, in lieu of an administrative hearing on the matters stated herein, Mr.


Chastain has agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Mr. Chastain; and

WHEREAS, pursuant to N.C.G.S. § 58-2-70(g), the Commissioner of Insurance and the Department have the express authority to negotiate a mutually acceptable agreement with any person as to the status of the person's license or certificate or as to any civil penalty or restitution; and

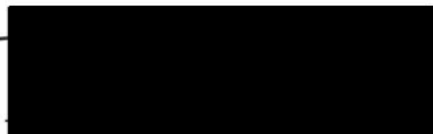
NOW, THEREFORE, in consideration of the promises and agreements set out herein, the Department and Mr. Chastain hereby agree to the following:

1. Immediately upon his signing of this document, Mr. Chastain shall pay a **civil penalty of \$1,000.00** to the Department. The form of payment shall be in the form of a 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. Chastain shall send the civil penalty by certified mail, return receipt requested, to the Department simultaneously with the return of this Agreement, signed by Mr. Chastain. The civil penalty and the signed Agreement must be received by the Department no later than **May 10, 2019**. 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 the public schools.
2. Mr. Chastain agrees to disgorge his entire public adjuster's fee of \$5,355.81 to Ms. Gallagher in the form of a certified check, cashier's check, or money order, and will submit proof of payment to the Department no later than **May 10, 2019**. Mr. Chastain understands and agrees Ms. Gallagher has no obligations to Mr. Chastain and/or NWPA pursuant to the public adjuster's contract of October 1, 2018.
3. Mr. Chastain understands that this Settlement Agreement is only between Mr. Chastain and the North Carolina Department of Insurance, and does not purport to settle matters on behalf of Ms. Gallagher or the North Carolina Department of Justice.
4. Mr. Chastain shall obey all laws and regulations applicable to all licenses issued to him.
5. Mr. Chastain enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Mr. Chastain understands that he may consult with an attorney prior to entering into this Agreement

6. This Agreement does not in any way affect the Department's disciplinary power in any future follow-up examinations of Mr. Chastain or NWPA, or in any other cases or complaints involving Mr. Chastain or NWPA.
7. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Chastain understands that N.C.G.S. § 58-33A-45(2) provides that a public adjuster's license may be revoked for violating an Order of the Commissioner.
8. This Voluntary Settlement 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 to third parties upon request or pursuant to any law or policy providing for such disclosure. The Department routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.
9. This Settlement Agreement shall become effective when signed by Mr. Chastain and the Department.



By: **STEVEN CHASTAIN**
License No: 7773682



By: **Angela Hatchell**
Deputy Commissioner

May 3, 2019
Date

5/9/19
Date