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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 MATTHEW COCHRAN
NPN No. 16008421

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COMES Matthew Cochran (hereinafter "Mr. Cochran") 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. Cochran is a North Carolina resident with active licenses in the areas of Variable Life & Variable Annuities, Accident & Health or Sickness, and Life license issued by the Department and his National Producer Number is 16008421; and

WHEREAS, Mr. Cochran was allowed to resign from Northwestern Mutual Investment Service ("Northwestern") after Northwestern discovered that Mr. Cochran was referring some of its clientele to an investment service offered by Mr. Cochran's father, who is not licensed by FINRA; and

WHEREAS, Mr. Cochran assisted the said clientele with setting up investment accounts, and Mr. Cochran's father advised the clients on those accounts; and

WHEREAS, Mr. Cochran explained that he met most of the said clientele through a vacation club that he and his father belonged to and assisted them with insurance matters though Northwestern, however, these clients did not have sufficient net worth to utilize Northwestern's investment services; and

WHEREAS, Mr. Cochran did not charge any money to said clients for setting up the accounts serviced by his father, however, several clients who had significant gains on their investments provided voluntary monetary "gifts" to Mr. Cochran; and

WHEREAS, it appears that the clients who utilized had financial gains as a result of Mr. Cochran's actions and his father's actions, and Mr. Cochran has provided evidence to the Department that Mr. Cochran returned all monetary "gifts" to said clients and neither the Department nor Mr. Cochran are aware of any client losing money due to the trading activity; and

WHEREAS, Mr. Cochran has cooperated with the Department and has provided all documentation requested by the Department; and

WHEREAS, the Department has received no complaints from Mr. Cochran's clients regarding these matters; and

WHEREAS, Mr. Cochran's actions in referring Northwestern clients to his father who was unlicensed by FINRA for investment advisement and Mr. Cochran's actions in setting up their investment accounts constitutes violations of N.C.G.S. § 58-33-46(a)(2) and (a)(8) for which his license could be revoked; and

WHEREAS, Mr. Cochran 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. Cochran; 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

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing concerning this matter; and

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement;

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

1. Mr. Cochran agrees to pay a civil penalty of **five hundred dollars (\$500.00)** to the Department. The civil penalty must be in the form of a check, cashier's check or money order, and must be received by the Department contemporaneously with the executed Voluntary Settlement Agreement, signed by Mr. Cochran, no later than **April 30, 2018**.
2. Mr. Cochran enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Mr. Cochran understands that he may consult with an attorney prior to entering into this Agreement.
3. This Agreement does not in any way affect the Department's disciplinary power in any

future examinations of Mr. Cochran or in any other complaints involving Mr. Cochran.

4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Cochran understands that N.C.G.S. 58-33-46(a)(2) provides that his licenses may be revoked for violating an Order of the Commissioner.
5. Mr. Cochran has read and understands this Agreement and agrees to abide by the terms and conditions stated herein.
6. 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. The Department routinely provides copies of voluntary settlement agreements to the NAIC and all companies that have appointed the licensee.
7. This Voluntary Settlement Agreement shall become effective when signed and attested to by Mr. Cochran and the Department.

This the 15 day of April, 2018.

NORTH CAROLINA DEPARTMENT OF
INSURANCE

6-12-18



Matthew Cochran

By:



Teresa Knowles
Senior Deputy Commissioner