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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 JEFFREY J. FOLEY
LICENSE NO. 0006616149

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME Jeffrey J. Foley (hereinafter "Mr. Foley") 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. Foley currently holds a producer's license with the Department with authority for Life insurance and Accident & Health or Sickness insurance; and

WHEREAS, North Carolina General Statute § 58-33-46(12a) provides that the Commissioner of Insurance may place on probation, suspend, revoke or refuse to renew any license issued under Chapter 58 of the General Statutes of North Carolina for soliciting, negotiating, or selling insurance in this State for an unauthorized insurer, regardless of whether the licensee or applicant knew that the insurer was unauthorized; and

WHEREAS, Mr. Foley in September 2006 sold a National Foundation of America (NFOA) "installment plan" to a North Carolina resident, Mary Bingham Treece, age 82, and assisted Ms. Treece in surrendering her Allianz annuity contract, which was used to fund the NFOA plan; and

WHEREAS, the Department is of the opinion that the NFOA installment plan is a contract of insurance, an annuity, as defined by North Carolina insurance statutes; and

WHEREAS, NFOA has never been licensed as an insurer in North Carolina; and

WHEREAS, on September 11, 2007 the Tennessee courts determined that NFOA, a *de facto* Tennessee domiciled insurer, had been doing business in Tennessee without a certificate of authority, and was placed in receivership; and

WHEREAS, Ms. Treece suffered monetary losses as a result of the transaction; and

WHEREAS, Mr. Foley reimbursed Ms. Treece for her losses as required by North Carolina General Statute § 58-33-95, which makes agents strictly liable for any losses or unpaid claims in the event an unauthorized insurer fails to pay in full or in part any claim or loss within the provisions of any insurance contract sold directly or indirectly, or through the agent on behalf of the unauthorized insurance company; and

WHEREAS, Mr. Foley admits to the violation of North Carolina General Statute § 58-33-46(12a) as set out herein; and

WHEREAS, Mr. Foley 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. Foley; 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. Foley and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Foley shall pay a civil penalty of **\$250.00** to the Department. The form of payment shall be by certified cashiers 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. Foley 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 **February 21, 2011**. 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. This Agreement does not in any way affect the Department's disciplinary power in any future examination of Mr. Foley, or in any other complaints involving Mr. Foley.
3. Mr. Foley enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Foley understands he may consult with an attorney prior to entering into this Agreement.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Foley understands that N.C.G.S. § 58-33-46(a)(2) provides that an agent's license may be revoked for violating an Order of the Commissioner.
5. This Agreement, when finalized, will be a public record and will **not** be held confidential by the Department. Following the execution of this Agreement, any and all licenses issued by the Department to Mr. Foley 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.

6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

This the 24 day of January, 2011.

[Redacted Signature]

Jeffrey J. Foley
License No. 0006616149

North Carolina Department of Insurance

[Redacted Signature]

2-4-11

By: Angela Ford
Senior Deputy Commissioner