

IN # 115082

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NORTH CAROLINA DEPARTMENT OF INSURANCE
 RALEIGH, NORTH CAROLINA

BEFORE THE COMMISSIONER
 OF INSURANCE

IN THE MATTER OF THE LICENSURE OF
 HENNION & WALSH, INC,
 (NPN 8066914)

VOLUNTARY SETTLEMENT
 AGREEMENT

NOW COME Hennion & Walsh, Inc. ("Agency") and the North Carolina Department of Insurance ("Department") and voluntarily and knowingly enter into the following Voluntary Settlement Agreement ("Agreement"):

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

WHEREAS, Agency holds a non-resident business entity license ("License") issued by the Department; and

WHEREAS, the Agency is a "business entity" within the meaning of N.C. Gen. Stat. § 58-33-10(4), a "person" within the meaning of N.C. Gen. Stat. § 58-33-10(16) and holds the Agency's License pursuant to N.C. Gen. Stat. § 58-33-26(j); and

WHEREAS, the Agency's License is a producer's license under N.C. Gen. Stat. § 58-33-31(b); and

WHEREAS, N.C. Gen. Stat. § 58-33-32(k) provides:

A producer shall report to the Commissioner any administrative action taken against the producer in another state or by another governmental agency in this State within 30 days after the final disposition of the matter. As used in this subsection, 'administrative action' includes enforcement action taken against the producer by the FINRA. This report shall include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the action; [and]

WHEREAS, the Agency failed to report within 30 days a January 23, 2019 administrative action ("Administrative Action") within the meaning of N.C. Gen. Stat. § 58-33-32(k); and

WHEREAS, the Agency failed to list the Administrative Action in a March 27, 2019 application to the Department to renew the Agency's License; and

WHEREAS, among other things, N.C. Gen. Stat. § 58-33-46(a)(1) permits the North Carolina Commissioner of Insurance ("Commissioner") to place on probation, suspend, revoke,

or refuse to renew a business entity's license for providing incomplete in a license application; and

WHEREAS, the Agency violated N.C. Gen. Stat. § 58-33-46(a)(1) by failing to list the Administrative Action in its March 27, 2019 application; and

WHEREAS, among other things, N.C. Gen. Stat. § 58-33-46(a)(2) permits the North Carolina Commissioner of Insurance ("Commissioner") to place on probation, suspend, revoke or refuse to renew a business entity's license for "[v]iolating any insurance law of this or any other state;" and

WHEREAS, the Agency violated N.C. Gen. Stat. § 58-33-32(k) and thereby N.C. Gen. Stat. § 58-33-46(a)(2) by failing to timely report the Administrative Action; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), the Commissioner 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 issued by the Department, or as to any civil penalty or restitution;

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

WHEREAS, the Parties 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 the Agency hereby agree to the following:

1. Immediately upon signing this Agreement, the Agency shall pay a civil penalty of **Two Hundred Fifty Dollars and No Cents (\$250.00)** 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." The Agency shall remit the civil penalty to the Department by certified mail, return receipt requested (attention: Nadine Scott, ASD, 1204 Mail Service Center, Raleigh, NC 27699-1202), along with the original of this Agreement bearing the Agency's signature. The civil penalty and the signed Agreement must be received by the Department **no later than August 30, 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 public schools.
2. The Agency shall comply with all of the provisions of Chapter 58 of the North Carolina General Statutes and of Title 11 of the North Carolina Administrative Code that are applicable to the Agency.

3. The Parties agree that this Agreement shall have the full force and effect of an Order of the Commissioner. The Agency understands that N.C. Gen. Stat. § 58-33-46(a)(2) provides that its License may be revoked for violating an Order of the Commissioner.
4. The Agency enters into this Agreement freely and voluntarily and with knowledge of its right to have an administrative hearing regarding this matter. The Agency understands that it may consult with an attorney prior to entering into this Agreement.
5. This Agreement constitutes a complete settlement of all administrative penalties against the Agency for the acts, policies or practices expressly addressed in this Agreement. Except as to the acts, policies or practices expressly addressed herein, this Agreement does not in any way affect the Department's disciplinary power in any future examination of the Agency or in any other complaints involving the Agency. In the event that the Agency fails to comply with this Agreement or otherwise fails to comply with the laws and rules applicable to the Agency, the Department may take any administrative or legal action it is authorized to take.
6. This Agreement, when finalized, will be a public record and is not confidential. 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. Following the execution of this Agreement, any and all licenses issued by the Department to the Agency shall reflect that Regulatory Action has been taken against the Agency. The Department routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.
7. The Agency understands and agrees that, if a state or federal regulator other than the Department has issued a permit or license to the Agency, that regulator may require the Agency to report this administrative action to it. The Agency understands and agrees that the Department cannot give the Agency legal advice as to the specific reporting requirements of other state or federal regulators.
8. This Agreement shall become effective when signed by the Agency and the Department.

[Redacted Signature]

(Signature)

CFO Debbie Hoffmann (Print Name and Job Title)

For Hennion & Walsh, Inc.

Date: 8/27/19

NORTH CAROLINA DEPARTMENT OF INSURANCE

By: [Redacted Signature]

Angela Hatchell
Deputy Commissioner

Date: 9/3/19