

**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 THE HUNTINGTON INVESTMENT CO.  
LICENSE NO. 1000396383**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME**, The Huntington Investment Company (hereinafter "Huntington") 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**, HUNTINGTON currently holds a non-resident Corporation (Business Entity) License with the Department; and

**WHEREAS**, North Carolina General Statute § 58-33-32(k) requires producers to report to the Commissioner any administrative action taken against the producer in another state or by another governmental agency in this State, including enforcement actions taken against the producer by the Financial Industry Regulatory Authority (FINRA), within 30 days after the final disposition of the matter; and

**WHEREAS**, HUNTINGTON was involved in an administrative action before the Indiana Division of Securities wherein HUNTINGTON was fined in an administrative action dated July 2, 2015 in the amount of \$2000.00 for failing to file a required Annual Branch Examination report in a timely fashion; and

**WHEREAS**, HUNTINGTON executed an Acceptance Waiver and Consent (AWC) agreement with FINRA effective October 19, 2015 resulting in HUNTINGTON being censured and ordered to pay a \$75,000.00 fine

**WHEREAS**, HUNTINGTON did not report these actions to the Department within 30 days after the final disposition of the matters as required by North Carolina General Statute § 58-33-32(k), and therefore was in violation thereof; and

**WHEREAS**, North Carolina General Statute § 58-33-46a(1) provides that the Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of Chapter 58 of the General Statutes of North Carolina for providing materially incorrect, misleading, incomplete, or materially untrue information in the license application; and

**WHEREAS**, HUNTINGTON initially applied for a non-resident corporate license with the Department on August 4, 2014; and

**WHEREAS**, HUNTINGTON in a FINRA action dated February 20, 2014, executed an AWC in which HUNTINGTON agreed to pay a fine in the amount of \$25,000.00 for violating a rule of the Municipal Securities Rulemaking Board (MSRB); and

**WHEREAS**, HUNTINGTON in its initial application for a non-resident corporate license on August 4, 2014 with the Department answered "no" to the question thereon: "Has the business entity or owner, partner, officer or director of the business entity, or manager or member of a limited liability company, been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding, regarding any professional or occupational license, or registration, which has not been previously reported to this insurance department?"; and

**WHEREAS**, HUNTINGTON answered "No" to the question on its renewal applications for the license years 2015-16 and 2016-17 to the question: "Has the business entity or owner, partner, officer or director of the business entity, or manager or member of a limited liability company, been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding, regarding any professional or occupational license, or registration, which has not been previously reported to this insurance department?"; and

**WHEREAS**, HUNTINGTON admits to these violations of North Carolina General Statutes §§ 58-33-32(k) and 58-33-46a(1); and

**WHEREAS**, North Carolina General Statute § 58-33-46(a)(2) provides that the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew any license issued under Article 58 of the General Statutes of North Carolina for violating any insurance law of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or of another state's regulator; and

**WHEREAS**, HUNTINGTON has agreed to settle, compromise, and resolve the matter referenced in this Agreement on behalf of himself, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against HUNTINGTON; 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, HUNTINGTON and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, HUNTINGTON shall pay a civil penalty of **\$1500.00** 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." HUNTINGTON 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 **August 1, 2017**. 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 HUNTINGTON or in any other complaints involving HUNTINGTON.
3. HUNTINGTON enters into this Agreement, on behalf of itself, freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter. HUNTINGTON understands it 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. HUNTINGTON understands that N.C.G.S. § 58-33-46(a)(2) provides that a producer'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 HUNTINGTON shall reflect that Regulatory Action has been taken against it. 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.
7. Be aware that if a state or federal regulator other than the N. C. Department of Insurance has issued an occupational or professional license to your corporation, that regulator may require you to report this administrative action to it. The N.C. Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

This the 3<sup>rd</sup> day of August, 2017.  
14<sup>th</sup> day of July, 2017.

THE HUNTINGTON INVESTMENT CO.  
License No. 1000396383

NC. Department of Insurance

By: Serina Shores  
Vice President  
Compliance Section Manager

By: Hasje P. Harris  
Senior Deputy Commissioner  
PFP Group