

**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)
KELSEY NATIONAL CORPORATION)
NATIONAL PRODUCER # 720533)**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COMES Kelsey National Corporation (hereinafter, "Kelsey National") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "Agreement"):

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

WHEREAS, Kelsey National currently holds an active license as a non-resident business entity in the State of North Carolina. The domicile state of record is California and lists its Designated Responsible Licensed Producer as Mark R. Kelsey; and

WHEREAS, Kelsey National is actively licensed as a non-resident business entity in forty-six other states. Kelsey National is not currently licensed in Rhode Island, South Carolina, and Wisconsin; and

WHEREAS, N.C. Gen. Stat. §58-33-32(k) provides that "[a] producer shall report to the Commissioner any administrative action taken against the producer in another state . . . within 30 days after the final disposition of the matter . . . 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, on or about April 27, 2012, the Oklahoma Department of Insurance (hereinafter, "ODOI") took administrative action against the licensure of Kelsey National for violation of its insurance laws which has resulted in a monetary penalty; and

WHEREAS, Kelsey National failed to report the administrative action by ODOI within 30 days after the final disposition of said action as required by North Carolina statutes; and

WHEREAS, Kelsey National's failure to timely file a report with the Department regarding the administrative action taken by ODOI is a violation of N.C. Gen. Stat. §58-33-32(k); and

WHEREAS, the failure to timely report administrative action taken by any state against a producer's insurance license as set out in N.C. Gen. Stat. § 58-33-32(k) provides sufficient grounds for the probation, suspension, revocation or the refusal to renew the license of Kelsey National pursuant to N.C. Gen. Stat. §58-33-46(a)(2); and

WHEREAS, Kelsey National has subsequently filed the necessary reports with the Department regarding the administrative action taken by ODOI; and

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

NOW THEREFORE, in exchange for the consideration of the promises and agreements set out herein, the Department and Kelsey National hereby agree to and waive any objections to the following:

1. Kelsey National **shall pay a monetary civil penalty in the amount of two hundred fifty dollars (\$250.00) by certified bank check, due immediately upon execution of this agreement.** The check for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." This 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. **The check for the civil penalty and this executed Agreement shall be submitted to the Agent Services Division of the North Carolina Department of Insurance on or before March 27, 2014.**
2. Kelsey National shall obey all North Carolina laws and regulations applicable to a licensed insurance business entity.
3. Kelsey National enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter.
4. Kelsey National voluntarily waives any right to an administrative hearing on the violations and disciplinary actions referenced in this Agreement. Kelsey National also waives any right to appeal and agrees not to challenge the validity of this Agreement in any way.
5. This agreement does not in any way affect the Department's disciplinary power in any other cases or complaints involving Kelsey National.
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.

7. This written document contains the entire Agreement between the Parties. There are no other oral or written agreements of any kind that alter or add to this agreement.
8. The Parties agree that the Superior Court of Wake County shall be the venue for any actions seeking to enforce this Agreement.
9. If, for any reason, any part or provision of this Agreement is found to be void or unenforceable, the other parts and provisions shall remain in full force and effect.
10. The Parties have read and understand this Agreement and agree to abide by the terms and conditions contained herein.

This the ^{20th} 11 day of March, 2014.

For Kelsey National Corporation:

Signature

Van R. Kelsey III, COO
Print Name and Title

For the North Carolina Department of Insurance:

Angela Ford, Senior Deputy Commissioner

3-20-14

