



2. At all relevant times herein, Respondent held a Non-Resident Producer's License. Respondent's National Producer License Number (NPN) is 16732563.

3. On December 5, 2019, the Indiana Commissioner of Insurance entered an order denying the renewal of Respondent's non-resident producer license for failing to disclose eight prior criminal convictions, including two felony convictions, on her original license application and failing to report five other States' administrative actions to the Indiana Department of Insurance. As grounds therefore, the Indiana Commissioner cited Indiana Code §§ 27-1-15.6-12(b)(1) (providing incorrect, misleading, incomplete, or materially untrue information in a license application), 27-1-15.6-12(b)(6) (having been convicted of a felony), 27-1-15.6-12(b)(8) (using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Indiana or elsewhere), and 27-1-15.6-12(b)(9) (having an insurance license, or its equivalent, denied, suspended, or revoked in any other state, province, district or territory).

4. Respondent failed to notify the Commissioner of the North Carolina Department of Insurance of the administrative action taken by the Indiana Department of within thirty (30) days of final disposition of Indiana's action, as required by N.C. Gen. Stat. § 58-33-32(k).

5. Respondent answered "No" to the screening question on her 2013 application for a nonresident producer's license which asked "Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?" In June 2019, Respondent entered into a Voluntary Settlement Agreement with the Department for having falsely answered the screening question and having failed to disclose four criminal convictions in the State of Texas, Harris County District Court No. 176 for: Felony Drug Possession on two occasions (June 10, 2005 and May 30, 2006) and Misdemeanor Prostitution on two occasions (October 22, 2004 and March 20, 2006). The Voluntary Settlement Agreement required that Respondent pay a \$500.00 penalty.

6. The Indiana Order listed the eight criminal convictions that Respondent failed to disclose on her license application. Four of those convictions were the convictions set forth in the Department's Voluntary Settlement Agreement with the Respondent. The additional four convictions listed in the Indiana Order were: (1) a September 21, 1987 conviction for Felony Forgery, (2) a May 18, 1990 Misdemeanor Theft conviction, (3) a December 4, 1992 Misdemeanor Theft conviction, and (4) a May 31, 1994 First Degree Felony conviction for dealing cocaine under 28 grams.

7. Joseph Wall testified that he handled the enforcement case against the Respondent which resulted in the 2019 Voluntary Settlement Agreement. During the course of investigating an administrative action that Respondent had not

reported, Mr. Wall discovered that Respondent had uploaded a statement of explanation in response to a state's license application screening question which asks if the agent has any criminal convictions. Mr. Wall printed the NIPR attachment warehouse screen showing the upload by Respondent and printed out the attached signed statement from Respondent which merely listed the same four criminal convictions that were listed in the 2019 Voluntary Settlement Agreement.

8. After discovering Respondent's statement of explanation for the four criminal convictions, Agent Services held an informal conference with Respondent to discuss the allegations that she failed to disclose her criminal convictions on her license application. Mr. Wall testified that he participated in the informal conference and that Respondent never mentioned the additional criminal convictions for felony forgery, felony dealing in cocaine, and misdemeanor theft during the conference. Thus, the Department was not aware of Respondent's convictions for felony forgery, felony dealing in cocaine, and misdemeanor theft when it entered into the Voluntary Settlement Agreement in 2019.

9. Mr. Wall further testified that he did not learn of the additional undisclosed convictions until the week of this hearing and that the Department would not have offered to settle the matter with Respondent in 2019 for a Voluntary Settlement Agreement with a \$500 penalty had it been aware of Respondent's other convictions for felony forgery, felony dealing in cocaine, and misdemeanor theft.

### CONCLUSIONS OF LAW

1. This matter is properly before the Commissioner, and the Commissioner has jurisdiction over the parties and the subject matter pursuant to Chapter 58 of the North Carolina General Statutes.

2. N.C. Gen. Stat. § 58-33-32(k) requires a producer to report to the Commissioner any administrative action taken against the producer in another state within 30 days after the final disposition of the matter.

3. N.C. Gen. Stat. § 58-33-46(a)(2) states that the Commissioner may place on probation, suspend, or revoke the license of a licensee that has "violated any insurance law of this or any other state, violated any administrative rule, subpoena, or order of the Commissioner or of another state's insurance regulator, or violated any rule of FINRA."

4. Respondent's non-resident agent's license should be suspended or revoked pursuant to N.C. Gen. Stat. § 58-33-46(a)(2) based upon her violation of N.C. Gen. Stat. § 58-33-32(k) by her failure to report the administrative action taken by Indiana within 30 days after final disposition of that action and based upon her violation of Indiana's insurance laws.

5. N.C. Gen. Stat. § 58-33-46(a)(6) states that the Commissioner may place on probation, suspend, or revoke the license of a licensee who has “been convicted of a felony or a misdemeanor involving dishonesty, breach of trust, or moral turpitude.”

6. Felony forgery is a felony involving dishonesty and moral turpitude. Misdemeanor theft is a misdemeanor involving dishonesty and moral turpitude.

7. Respondent’s non-resident agent’s license should be suspended or revoked pursuant to N.C. Gen. Stat. § 58-33-46(a)(6) based upon her felony conviction for forgery and her misdemeanor convictions for theft.

8. N.C. Gen. Stat. § 58-33-46(a)(8) states that the Commissioner may place on probation, suspend, or revoke the license of a licensee for “[u]sing fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere.”

9. Respondent’s non-resident agent’s license should be suspended or revoked pursuant to N.C. Gen. Stat. § 58-33-46(a)(8) based upon her failure to disclose four other criminal convictions during the discussion and negotiations with the Department which led to the execution of the 2019 Voluntary Settlement Agreement.


10. N.C. Gen. Stat. § 58-33-46(a)(9) states that the Commissioner may place on probation, suspend, or revoke the license of a licensee for “[h]aving an insurance producer license, or its equivalent, denied, suspended, or revoked in any other jurisdiction for reasons substantially similar to those listed in this subsection.”

11. Respondent’s non-resident agent’s license should be suspended or revoked pursuant to N.C. Gen. Stat. § 58-33-46(a)(9) for having her insurance producer’s license denied by the Indiana Commissioner of Insurance.

### **ORDER**

Based on the foregoing Finding of Facts and Conclusions of Law, it is ordered that Respondent’s license issued by the North Carolina Department of Insurance is hereby REVOKED effective as of the date of the signing of this order.

This the 1<sup>st</sup> day of December, 2020.

  
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Meghan Cook, Hearing Officer  
North Carolina Department of Insurance

## APPEAL RIGHTS

This is a Final Agency Decision issued under the authority of N.C. Gen. Stat. § 150B, Article 3A.

Under the provisions of N.C. Gen. Stat. § 150B-45, any party wishing to appeal a final decision of the North Carolina Department of Insurance must file a Petition for Judicial Review in the Superior Court of the county where the person aggrieved by the administrative decision resides, or in the case of a person residing outside the State, the county where the contested case which resulted in the final decision was filed. The appealing party must file the petition within 30 days after being served with a written copy of the Order and Final Agency Decision. In conformity with 11. NCAC 01.0413 and N.C. Gen. Stat. § 1 A-1, Rule 5, this Order and Final Agency Decision was served on the parties on the date it was placed in the mail as indicated by the date on the Certificate of Service attached to this Order and Final Agency Decision. N.C. Gen. Stat. § 150B-46 describes the contents of the Petition, including explicitly stating what exceptions are taken to the decision or procedure and what relief the petitioner seeks, and requires service of the Petition by personal service or by certified mail upon all who were parties of record to the administrative proceedings. The mailing address to be used for service on the Department of Insurance is: A. John Hoomani, General Counsel, 1201 Mail Service Center, Raleigh, NC 27699-1201.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have this day served the foregoing **ORDER AND FINAL AGENCY DECISION** by mailing a copy of the same via certified U.S. Mail, return receipt requested; via first class U.S. mail to the licensee, at the address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b); and via State Courier to Attorney for Petitioner, addressed as follows:

Carla McBeth  
8519 Hearth Drive, Apt. 26  
Houston, TX 77054-2624  
*(Respondent)*

**Certified Mail Tracking #: 70200640000031854011**

Anne Goco Kirby  
Assistant Attorney General  
N.C. Department of Justice  
Insurance Section  
9001 Mail Service Center  
Raleigh, NC 27699-9001  
*(Attorney for Petitioner)*

This the 1<sup>st</sup> day of December, 2020.



Mary Faulkner  
Paralegal  
N.C. Department of Insurance  
1201 Mail Service Center  
Raleigh, NC 27699-1201