

**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  
SCOTT G. NATHANSON**

**ORDER AND FINAL  
AGENCY DECISION**

**Docket Number: 1932**

---

**THIS MATTER** was heard on July 16, 2019 by the undersigned Hearing Officer, designated by the North Carolina Commissioner of Insurance (“Commissioner”) pursuant to N.C. Gen. Stat. § 58-2-55.

A Notice of Administrative Hearing advising Respondent Scott G. Nathanson (“Respondent”) of the time, date and place of the hearing was duly issued and served on Respondent at the address on record with Petitioner Agent Services Division (“ASD”) of the North Carolina Department of Insurance (“NCDOI”). The Notice of Administrative Hearing was delivered via Federal Express – Direct Signature Required on June 21, 2019.

Respondent, proceeding *pro se*, failed to appear at the hearing.

ASD was present at the hearing and was represented by Heather H. Freeman. ASD employee Joe Wall testified at the hearing.

ASD offered into evidence Exhibits 1 through 15, which were admitted into evidence.

After careful consideration of the evidence and arguments presented, and based on the record as a whole, the Hearing Officer hereby makes the following:

**FINDINGS OF FACT**

1. The Notice of Administrative Hearing was properly served on Respondent on June 21, 2019. The Notice of Administrative Hearing and Affidavit of Service were admitted into evidence as Exhibits 1 and 2, respectively.
2. Respondent failed to appear at the hearing and the Hearing Officer issued a sanction under 11 NCAC 01.0423(a)(1) finding that allegations set forth in the Notice of Administrative Hearing are to be taken as true or deemed to be proved without further evidence.

3. NCDOT is a state agency responsible, in accordance with Chapter 58 of the North Carolina General Statutes, for enforcement of the insurance laws of North Carolina and for regulating and licensing insurance producers.
4. At all relevant times herein, Respondent had non-resident North Carolina insurance producer licenses with authority for Life and Accident & Health or Sickness lines of insurance, License number 0001211293. ("License").
5. Effective April 27, 2017, Respondent was involved in an administrative action proceeding before the Louisiana Department of Insurance, resulting in a \$250 monetary penalty for failure to make a required disclosure on a license application.
6. Respondent did not report the April 27, 2017 Louisiana Action to the Commissioner within thirty (30) days.
7. Effective October 26, 2017, Respondent was involved in an administrative action proceeding before the Louisiana Department of Insurance, resulting in the suspension of Respondent's license for failure to pay a fine.
8. Respondent did not report the October 26, 2017 Louisiana Action to the Commissioner within thirty (30) days.
9. Effective January 31, 2018, Respondent was involved in an administrative action proceeding before the Washington Office of the Insurance Commissioner, resulting in revocation of Respondent's license for failure to report other state action.
10. Respondent did not report the January 31, 2018 Washington Action to the Commissioner within thirty (30) days.
11. Effective February 12, 2018, Respondent was involved in an administrative action proceeding before the South Dakota Department of Labor and Regulation, Division of Insurance, resulting in revocation of Respondent's license for failure to report other state action.
12. Respondent did not report the February 12, 2018 South Dakota Action to the Commissioner within thirty (30) days.
13. Effective June 20, 2018, Respondent was involved in an administrative action proceeding before the Delaware Department of Insurance resulting in a consent order and \$500 fine for failure to report other state action.
14. Respondent did not report the June 20, 2018 Delaware Action to the Commissioner within thirty (30) days.



15. On January 6, 2016, Respondent was convicted of misdemeanor possession of marijuana in Texas.
16. Respondent's conviction was reported to the Commissioner on February 9, 2017.
17. Respondent did not report the conviction to the Commissioner within ten (10) days.

### CONCLUSIONS OF LAW

1. This matter is properly before the Commissioner, and he has jurisdiction over the parties and the subject matter.
2. Respondent was properly served with the Notice of Administrative Hearing in this matter.
3. Under 11 NCAC 01.0423(a)(1), the matters set forth in the Notice of Administrative Hearing, Exhibit 1 should be taken as true or deemed to be proved without further evidence. This includes the allegation that Respondent was convicted in Texas on January 6, 2016, of misdemeanor possession of marijuana and failed to report the conviction within ten (10) days as required by N.C. Gen. Stat. §58-2-69(c).
4. N. C. Gen. Stat. § 58-33-32(k) requires an insurance 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," including by sending a "copy of the order or consent order and any other information filed in the proceeding necessary to describe the action." The Louisiana, Washington, South Dakota, and Delaware Actions are administrative actions taken against Respondent within the meaning of N.C. Gen. Stat. § 58-33-32(k).
5. N.C. Gen. Stat. § 58-2-69(c) requires a producer to report in writing to the Commissioner any conviction from a court of competent jurisdiction for any crime or offense other than a motor vehicle infraction within ten (10) days after the date of conviction. The January 6, 2016 misdemeanor possession of marijuana in Texas is a conviction within the meaning of N.C. Gen. Stat. § 58-2-69(c).
6. Pursuant to N. C. Gen. Stat. § 58-33-46(a)(2), one of the causes for which the Commissioner may revoke a license is for violating the insurance laws of North Carolina.
7. By failing to report the Louisiana, Washington, South Dakota, and Delaware Actions within thirty (30) days of their final disposition, Respondent violated N.C. Gen. Stat. § 58-33-32(k), which is a North Carolina insurance law within the meaning of N. C. Gen. Stat. § 58-33-46(a)(2).

8. By failing to report the conviction of misdemeanor possession of marijuana in Texas within ten (10) days after the date of conviction, Respondent violated N.C. Gen. Stat. § 58-2-69(c), which is a North Carolina insurance law within the meaning of N. C. Gen. Stat. § 58-33-46(a)(2).
9. Consequently, the Hearing Officer finds that Respondent's License should be revoked under N. C. Gen. Stat. § 58-33-46(a)(2).

### ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law, it is ORDERED that Respondent's License be **REVOKED**.

### 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 the 11 NCAC 1.0413 and N.C.G.S. § 1A-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 and requires service of the Petition on all parties. 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.

This 7<sup>th</sup> day of August 2019.

  
Sherri Hubbard  
Hearing Officer  
N.C. Department of Insurance  
1201 Mail Service Center  
Raleigh, NC 27699-1201

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served a copy of 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.G. Gen. Stat. § 58-2-69(b); and, via State Courier, addressed as follows:

Scott G. Nathanson  
421 Cluck Creek  
Cedar Park, TX 78613  
[nathansonscott@yahoo.com](mailto:nathansonscott@yahoo.com)

**Certified Mail Tracking Number: 70191120000089733858**

Heather H. Freeman  
Assistant Attorney General  
N.C. State Bar Number 28272  
N. C. Department of Justice  
P.O. Box 629  
Raleigh, NC 27602-0629  
(919) 716-6610

This the 7<sup>th</sup> day of August 2019.

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