

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

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STATE OF NORTH CAROLINA
COUNTY OF WAKE

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BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF THE LICENSURE
OF NORTHEAST SECURITIES INC
NPN 953662

VOLUNTARY SETTLEMENT
AGREEMENT

103869

NOW COME Northeast Securities, Inc. (hereinafter "Northeast Securities") and the North Carolina Department of Insurance (hereinafter "the 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 business entities; and

WHEREAS, Northeast Securities is a corporation domiciled in New York and obtained a non-resident business entity license issued by the Department; and

WHEREAS, N.C.G.S. § 58-33-32(k) requires that a producer shall report to the Department any administrative action, which includes enforcement action by the FINRA, 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; and

WHEREAS, Northeast Securities was subject to an administrative action by the Financial Industry Regulatory Authority (hereinafter "FINRA") in October 2012 for failure to properly report certain transactions; and

WHEREAS, Northeast Securities failed to report the FINRA administrative action to the Department within thirty (30) days of the disposition of that matter as is required by N.C.G.S. § 58-33-32(k); and

WHEREAS, Northeast Securities was subject to an administrative action by the Maryland Insurance Administration in April 2014 for failure to make disclosure of the FINRA action on a license application; and

WHEREAS, Northeast Securities failed to report the Maryland administrative action to the Department within thirty (30) days of the disposition of that matter as is required by N.C.G.S. § 58-33-32(k); and

WHEREAS, Northeast Securities' violations of N.C.G.S. § 58-33-32(k) as stated above constitute violations of the insurance laws of North Carolina pursuant to N.C.G.S. § 58-33-46(a)(2) for which its business entity license could be revoked; and

WHEREAS, Northeast Securities has agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Northeast Securities.; and

WHEREAS, pursuant to N.C.G.S. § 58-2-70(g), the Commissioner of Insurance 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 or certificate or as to any civil penalty or restitution; and

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

WHEREAS, the parties to this Agreement 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 Northeast Securities hereby agree to the following:


1. Immediately upon its signing of this document, Northeast Securities shall pay a civil penalty of **Two Hundred Fifty Dollars (\$250.00)** to the Department. The form of payment shall be in a 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". Northeast Securities shall send the civil penalty by certified mail, return receipt requested, to the Department simultaneously with the return of this Agreement, signed by Northeast Securities. **The civil penalty and the signed Agreement must be received by the Department no later than September 1, 2014.** 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. Northeast Securities agrees to comply with all statutory and regulatory requirements applicable to insurance agents in this State.
3. Northeast Securities enters into this Agreement freely and voluntarily and with knowledge of its right to have an administrative hearing on this matter. Northeast Securities understands that it may consult with an attorney prior to entering into this Agreement.
4. This Agreement does not in any way affect the Department's disciplinary power in any future examinations of Northeast Securities or in any other complaints involving Northeast Securities.

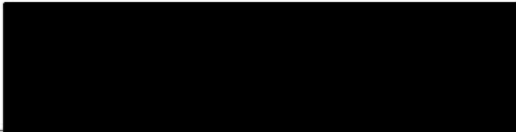
5. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Northeast Securities understands that N.C.G.S. 58-33-46(a)(2) provides that its license may be revoked for violating an Order of the Commissioner.
6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
7. 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 licensees following the execution of this Agreement. The Department is free to disclose the contents of this Agreement to third parties upon request or pursuant to any law or policy providing for such disclosure. The Department routinely provides copies of voluntary settlement agreements to the NAIC and all companies that have appointed the licensee.
8. This Voluntary Settlement Agreement shall become effective when signed by Northeast Securities and the Department.

This the 28th day of July, 2014.

NORTHEAST SECURITIES, INC.

NORTH CAROLINA DEPARTMENT OF INSURANCE

By: 
Stephen J. Perrone
CEO

By: 
Angela Ford
Senior Deputy Commissioner

8-7-14

