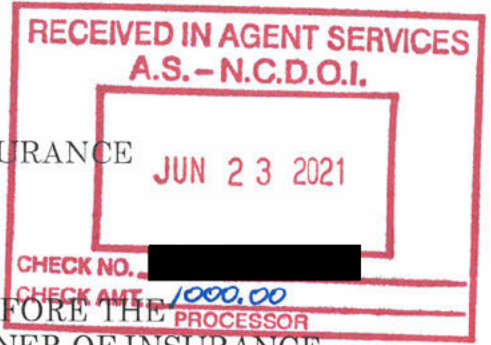


NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA



STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER OF INSURANCE

IN THE MATTER OF:)

THE LICENSURE OF)
OTM INSURANCE)
SPECIALISTS, LLC)
(NPN # 14943193))

Respondent.)

CONSENT ORDER

Docket Number: 2049

CONSENT ORDER

This agreed Consent Order (the "Consent Order") is entered into on the 24th day June, 2021 (the "Effective Date") between the Agent Services Division of the North Carolina Department of Insurance ("Agent Services") and OTM Insurance Specialists, LLC ("Respondents").

JURISDICTION AND GENERAL FINDINGS

The Agent Services Division has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agents.

This administrative proceeding was instituted against Respondent on June 10, 2021 pursuant to a Notice of Hearing.

FINDINGS OF FACT

1. At all relevant times herein, Respondent held a Non-Resident Business Entity License issued by the Department pursuant to N.C. Gen. Stat. § 58-33-31(b). Respondent's National Producer License Number (NPN) is 14943193.

2. Pursuant to N.C. Gen. Stat. § 58-33-31(b)(2), licensed business entities are required to designate a licensed producer responsible for the business entity's compliance with the insurance laws and administrative rules of this State and orders of the Commissioner. Respondent designated Jacqueline S. Nash as its designated responsible licensed producer.

3. On September 9, 2019, the Wisconsin Office of the Commissioner of Insurance entered an order revoking Respondent's insurance license as an intermediary firm for failing to name a designated licensed responsible producer and for not responding to the Commissioner's requests for information in violation of Wisconsin insurance laws.

4. On June 5, 2020, the Indiana Department of Insurance entered an order and notice of nonrenewal of Respondent's nonresident insurance producer organization holding license and surplus lines producer holding license for: (a) failing to report administrative actions taken against Respondent's licenses by Virginia, Delaware, and Wisconsin in violation of Indiana insurance law and (b) having its insurance producer license suspended, denied, or revoked in another State.

5. On September 18, 2020, the South Dakota Department of Labor & Regulation issued a letter denying Respondent's renewal application for licensure as a business entity for: (a) having provided incorrect, misleading, incomplete, or materially untrue information in its' license renewal application by failing to disclose other states' administrative actions against Respondent; (b) violated the insurance laws of South Dakota and other states; (c) using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere; (d) having an insurance producer license, or its equivalent, denied, suspended, or revoked in another state; (e) failing to report an administrative action taken against the insurance producer in another jurisdiction within 30 days of the final disposition of the matter; and (f) failing to respond to an inquiry from or failing to supply documents requested by the Division within 20 days of receipt of such inquiry or request.

6. Respondent failed to notify the Commissioner of the administrative actions taken by Wisconsin, Indiana, and South Dakota within thirty (30) days of final disposition of each action as required by N.C. Gen. Stat. § 58-33-32(k).

7. By e-mails to Ms. Nash on September 4, 2020 and again on September 15, 2020, the Department requested that the Respondent respond to information that the Department received showing that Indiana took administrative action against it and that Respondent provide documentation of the action within 10 days of receipt of the request. Respondent failed to respond to the Department's requests.

8. By e-mail to Ms. Nash on October 23, 2020, the Department requested that Respondent respond to information that the Department received showing that South Dakota took administrative action against Respondent and that Respondent provide documentation of the action within 10 days of receipt of the request. Respondent failed to respond to the Department's request.

9. The Department scheduled an informal conference with Respondent to discuss its failure to disclose administrative actions on November 12, 2020 and notified Ms. Nash by e-mail of the date and time of the conference. Ms. Nash failed to participate in the conference on November 12, 2020. Thus, the Department rescheduled the conference for January 14, 2021 and informed Ms. Nash of the new conference date and time by e-mail on December 3, 2020. Ms. Nash failed to participate in the conference on January 14, 2021.

CONCLUSIONS OF LAW

1. Notice in this matter was timely and properly effected.
2. This matter is properly before the Commissioner of Insurance and the Commissioner has jurisdiction over the Parties and the subject matter.
3. 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. A business entity is a producer within the meaning of the term “producer” as defined in N.C. Gen. Stat. § 58-33-10(7).
4. 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.
5. Respondent violated N.C. Gen. Stat. § 58-33-32(k) by failing to report the administrative actions taken against it by Wisconsin, Indiana and South Dakota within 30 days after final disposition of each action and violated the insurance laws of Wisconsin, Indiana, and South Dakota.
6. 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.”
7. Respondent’s Wisconsin and Indiana license renewal applications and revocation of its Indiana license were for reasons substantially similar to those listed in N.C. Gen. Stat. § 58-33-46(a).
8. N.C. Gen. Stat. § 58-2-70 authorizes the Commissioner to order the payment of a monetary penalty upon a finding of a violation of Chapter 58 of the North Carolina General Statutes.

9. In lieu of suspending or revoking Respondent's business entity license, a monetary penalty of \$1,000.00 should be imposed against Respondent pursuant to N.C. General Statute § 58-2-70 based upon its violations of N.C. Gen. Stat. §§ 58-33-46(a)(2) & (9) and 58-33-32(k).

11. Respondent consents to be bound by this Consent Order and understands that it has the same binding authority as a final Order of the Commissioner.

12. Respondent expressly waives its right to a hearing and to any further proceedings on this matter. Respondent also expressly waives its right to seek judicial review or to otherwise challenge the validity of this Consent Order.

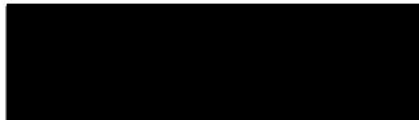
13. This written document contains the entire agreement between the Parties. There are no other oral or written agreements of any kind which alter or add to this agreement.

IT IS THEREFORE, BY CONSENT, ORDERED as follows:

1. Respondent shall pay a penalty in the amount of one thousand dollars (\$1,000.00) for violations of N.C. Gen. Stat. §§ 58-33-46(a) (2) & (9) and 58-33-32(k). Respondent shall pay the \$1,000 penalty by cashier check made payable to the North Carolina Department of Insurance. The check shall accompany this Consent Order when it is sent to the Department after Respondent signs this Consent Order. Upon receipt of this Consent by the Department, the Hearing Officer will sign this Consent Order.

2. This Consent Order shall become effective after the Department receives payment of the award from Respondent and the Consent Order has been signed by the Parties and the Hearing Officer.

IN WITNESS WHEREOF, the parties have duly executed this Consent Order this 24th day of June, 2021.

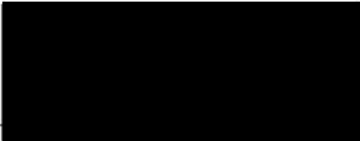


A. John Hoomani
Hearing Officer
North Carolina Department of Insurance

CONSENTED TO BY:

OTM Insurance Specialists, LLC

By: _____


William Parra
Agency Director

6/15/21

Date

NORTH CAROLINA
DEPARTMENT OF INSURANCE

By: _____


Angela Hatchell
Deputy Commissioner

6/23/2021

Date