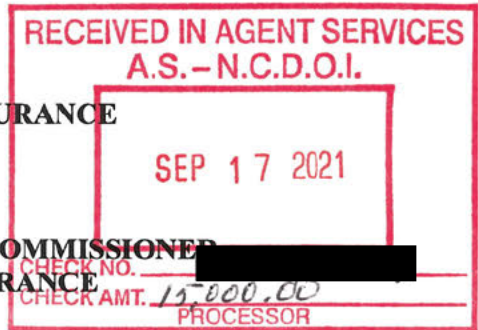


**NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA**



**STATE OF NORTH CAROLINA  
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER  
OF INSURANCE**

**IN THE MATTER OF  
THE LICENSURE OF  
WILLIAM M. PEEBLES  
LICENSE NO. 0007838229**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME**, William M. Peebles (hereinafter “Mr. Peebles”) and the Agent Services Division of the N.C. Department of Insurance (hereinafter “Agent Services Division”), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter “this Agreement”).

**WHEREAS**, 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; and

**WHEREAS**, Mr. Peebles currently holds a resident producer’s license with authority for Life, Accident & Health or Sickness, Property and Casualty lines of insurance and a brokers license issued by the Agent Services Division; and

**WHEREAS**, an agency review was conducted by Department investigators of the Peebles Insurance Agency located in Raleigh, NC (hereinafter “the Agency”) and owned by agent William M. Peebles on March 22 through 25 and April 01, 2021 to verify that all agency employees are appropriately licensed, to audit the agency’s financials, and to randomly review files to verify proper underwriting, and as a result various violations of insurance law were found; and to conduct a target review regarding a complaint from the N.C. Industrial Commission regarding the agency issuing certificates of insurance incorrectly; and

**WHEREAS**, Mr. Peebles and the Agency have had prior multiple agency and compliance reviews in the years 2008, 2015, 2016, 2018 and 2019; and

**WHEREAS**, N.C. Gen. Stat. § 58-33-46(a)(8) provides that the Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of Chapter 58 of the General Statutes of NC, among other things, for demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere; and

**WHEREAS**, the investigators determined that the Agency issued; seven (7) certificates with inaccurate limits, incorrect effective dates and policy numbers for S&W Enterprise, LLC, Silver John Trucking, VDA Flooring, Inc., KC Transportation Service, Aruba Quality Concrete, LLC and two (2) policies written for Mr. Juan J. Gutierrez-Bojorquez; and

**WHEREAS**, it appears that the Agency issued a certificate of insurance on April 15, 2015 to Mr. Gutierrez-Bojorquez for a workers compensation policy which did not exist; and

**WHEREAS**, N.C. Gen. Stat. § 58-33-46(a)(4) provides that the Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of Chapter 58 of the

General Statutes of NC, for improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business; and

**WHEREAS**, 11 NCAC 4.0429 provides that the accounting records maintained by agents, brokers, and limited representatives shall be separate and apart from any other business records and demonstrate at all times that collected funds due to insurers and return premiums due to policyholders are available at all times; and

**WHEREAS**, Department investigators reviewed premium account bank records from June 2019 through February 2021 and observed one (1) negative balance with no fees assessed and three (3) days when overdraft protection from the operating account was deposited into the premium account.; on days when the account was negative and overdraft protection accessed, seventeen (17) premium drafts and nineteen (19) premium checks indicating that premium funds were not available to the insurer at all times; and

**WHEREAS**, Department investigators observed sporadic online transfers to the premium account from the operating, savings and payroll accounts, and online transfers from the premium account to the operating, savings, and payroll accounts, as well as premium funds being transferred to the operating account from the premium account on or around an overdrawn day in the operating account with such actions indicating financial mismanagement on the part of Mr. Peebles; and

**WHEREAS**, Department investigators noted that it appeared that Mr. Peebles obtained two (2) Kabbage loans, one of which is being repaid from the premium account; and

**WHEREAS**, these above findings by the investigators appear to demonstrate financial mismanagement on the part of Mr. Peebles and apparent violations of N.C. Gen. Stats. §§ 58-33-46(a)(4), 58-33-46(a)(8) and 11 NCAC 4.0429, and appear to reflect financial mismanagement on the part of Mr. Peebles; and

**WHEREAS**, N.C. Gen. Stat. § 58-2-185 provides that all companies, agents, or brokers doing any kind of business in this State must make and keep a full and correct record of the business done by them, and such information must be furnished to the Commissioner on demand, and the original books of records shall be open to the inspection of the Commissioner when demanded; and

**WHEREAS**, N.C. Gen. Stat. § 58-2-195(b), Commissioner may require records, reports, etc., for agencies, agents, and others provides that every insurance agency transacting business in this State shall at all times have appointed some person employed or associated with such agency who shall have the responsibility of seeing that such records and reports as are required pursuant to the provisions of this section are kept and maintained; and

**WHEREAS**, 11 NCAC 19 .0102 MAINTENANCE OF RECORDS provides:

(a) Every insurer licensed to do business in this State shall maintain for at least five years all records, books, documents, and other business records that are required by this Section and by Chapter 58 of the North Carolina General Statutes.

(b) Every agency, agent, broker, or producer of record shall maintain a file for each policy sold. The file shall contain all work papers and written communications in his or her possession pertaining to that policy. These records shall be retained for at least five years after the final disposition or, for domestic companies, until the Commissioner has adopted a final report of a general examination that contains a review of these records for that calendar year, whichever is later; and

**WHEREAS**, 11 NCAC 19.0104 POLICY RECORDS provides:

Each insurer or its agents shall maintain or cause to be maintained a record of each policy that specifies the policy period, basis for rating, and if terminated, documentation supporting policy termination by the insurer or policyholder, and accounting records indicating return premium amounts. These records shall be retained for at least five years after the termination of the policy or, for domestic companies until the Commissioner has adopted a final report of a general examination that contains a review of these records for that calendar year, whichever is later; and

**WHEREAS**, Mr. Peebles alleged that he earned \$438,573.08 in commission and agency fees from June 2019 through February 2021, but he could not substantiate all of the commissions reports as not all company invoices were present to support the reports; Mr. Peebles admitted that his system did not always calculate the commissions accurately; and

**WHEREAS**, the Agency and Mr. Peebles appear to be in violation of N.C. Gen. Stats. §§ 58-2-185, 58-2-195(b), 11 NCAC 19 .0102 and 11 NCAC 19.0104 by failing to maintain complete and accurate commissions' reports which prevented Department investigators from determining the commissions that should have been transferred from the premium account; and

**WHEREAS**, North Carolina General Statute § 58-33-46(a)(2) provides that the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew any license issued under Article 58 of the General Statutes of North Carolina for violating any insurance law of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or of another state's regulator; and

**WHEREAS**, pursuant to N.C. Gen. Stat. § 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**, Mr. Peebles has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of himself, and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against Mr. Peebles; and

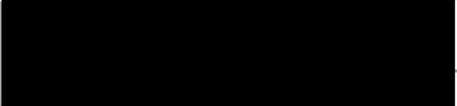
**WHEREAS**, the parties to this Agreement mutually wish to resolve this matter by consent and have reached a mutually agreeable resolution of this matter as set out in this Agreement.

**NOW, THEREFORE**, in exchange for the consideration and promises and agreements set out herein, Mr. Peebles and the Agent Services Division hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Peebles shall pay a civil penalty of **\$15,000.00** to the Agent Services Division. The form of payment shall be by 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." Mr. Peebles shall remit the civil penalty by certified mail, return receipt requested, to the Agent Services Division along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Department no later than **September 15, 2021**. 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. This Agreement does not in any way affect the Agent Services Division's disciplinary power in any future examination of Mr. Peebles or in any other complaints involving Mr. Peebles.
3. Mr. Peebles enters into this Agreement, on behalf of himself, freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Peebles understands he may consult with an attorney prior to entering into this Agreement.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Peebles understands that N.C.G.S. § 58-33-46(a)(2) provides that a producer's license may be revoked for violating an Order of the Commissioner.
5. This Agreement, when finalized, will be a public record and will **not** be held confidential by the Agent Services Division. Following the execution of this Agreement, any and all licenses issued by the Department to Mr. Peebles shall reflect that Regulatory Action has been taken against him. The Agent Services Division 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. The Agent Services Division, upon request, will routinely provide a copy of the voluntary settlement agreement to all companies that have appointed the licensee.
6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
7. Be aware that if a state or federal regulator other than the Agent Services Division has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The Agent Services Division cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

**N. C. Department of Insurance  
Agent Services Division**

  
**By: William M. Peebles  
License No 0007838229**

  
**By: Angela Hatchell  
Deputy Commissioner**

**Date:** 9/19/2021

**Date:** 09-17-2021