

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

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STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF THE LICENSURE
OF MICHAEL J. PILLA
LICENSE NO. 0016793763 AND
ROKSTONE CONSTRUCTION RISK
UNDERWRITERS, LTD.
LICENSE NO. 1000662697

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, Michael J. Pilla (hereinafter "Mr. Pilla") and Rokstone Construction Risk Underwriters, Ltd. (hereinafter "Rokstone") jointly, 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, N. C. Gen. Stat. § 58-33-46 (a) (1) 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 North Carolina for providing materially incorrect, misleading, incomplete, or materially untrue information in the license application; and

WHEREAS, Mr. Pilla currently holds a non-resident producer's license with authority for Property and Casualty lines of insurance issued by the Department; and

WHEREAS, ROKSTONE currently holds a non-resident Corporation (Business Entity) license and a non-resident business entity surplus lines license with the Department; and

WHEREAS, North Carolina General Statute § 58-33-31(b)(2) requires business entities to designate a licensed producer (DRLP), who is a natural person, responsible for the business entity's compliance with the insurance laws and administrative rules of this State and orders of the Commissioner; and

WHEREAS, Mr. Pilla entered a plea of guilty and was convicted on March 23, 1989 in the Circuit Court of Cook County, Illinois of the charge of Criminal Damage to Property, a Misdemeanor, and was ordered to make restitution in the amount of \$300.00, fined and placed under supervision for a period of one (1) year; and

WHEREAS, Mr. Pilla on his 2019 original application for a producer's license and his 2020 and 2021 renewal applications answered "no" to Question 1a. thereon: "Have you ever been convicted of a

misdemeanor, had a judgment withheld or deferred, or are you currently charged with committing a misdemeanor?"; and

WHEREAS, ROKSTONE on its original 2019 applications and 2020 and 2021 renewal applications for non-resident business entity and surplus lines entity licenses respectively, answered "no" to Question 1a. thereon: "Has the business entity or any owner, officer or director of the business entity or manager of a limited liability company been convicted, or is currently charged with committing a misdemeanor or had a judgment withheld or deferred for a misdemeanor which has not been previously reported to this insurance department; and

WHEREAS, Mr. Pilla admits in his personal capacity with respect to his non-resident producer's license, and in his capacity as DRLP for and CEO of ROKSTONE for its non-resident business entity and surplus lines entity licenses to these violations of N. C. Gen. Stat. § 58-33-46 (a) (1); and

WHEREAS, N. C. Stat. § 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, Mr. Pilla and ROKSTONE have agreed to settle, compromise, and resolve the matters referenced in this Agreement, 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. Pilla and ROKSTONE; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Agent Services Division initiates an administrative hearing 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. Pilla, ROKSTONE and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Pilla and ROKSTONE each shall pay a civil penalty of **\$250.00**, a total of **\$500.00** to the Department. The form of payment shall be by certified check, cashier's check, or money order. The check or money order for the payment of these civil penalties shall be payable to the "North Carolina Department of Insurance." Mr. Pilla and ROKSTONE shall remit the civil penalties by certified mail, return receipt requested, to the Department along with a copy of this signed Agreement. The civil penalties and the signed Agreement must be received by the Department no later than **August 04, 2021**. The civil penalties 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 Department's disciplinary power in any future examination of Mr. Pilla or ROKSTONE or in any other complaints involving Mr. Pilla or ROKSTONE.

3. Mr. Pilla and ROKSTONE enter into this Agreement freely and voluntarily and with the knowledge of their rights to have an administrative hearing on this matter. Mr. Pilla and ROKSTONE understand they 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 and understand that N.C.G.S. § 58-33-46 (a) (2) provides that a producer's or business entity'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 Department. Following the execution of this Agreement, all licenses issued by the Department to Mr. Pilla and ROKSTONE shall reflect that Regulatory Action has been taken against them. The Department 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 Department, 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 N. C. Department of Insurance has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The N.C. Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

Michael J. Pilla
License No. 0016793763
ROKSTONE CONSTRUCTION RISK
UNDERWRITERS, LTD.
License No. 1000662697

N. C. Department of Insurance
Agent Services Division


By: **Michael J. Pilla**
CEO & DRLP


By: **Angela Hatchell**
Deputy Commissioner

Date: July 2, 2021

Date: 7/21/2021