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NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

AGENT SERVICES
DIVISION

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER OF
INSURANCE

IN THE MATTER OF THE
LICENSURE OF TED R. PINNER, Jr.

ORDER AND FINAL AGENCY
DECISION

Docket Number: D-1382

THIS CAUSE was heard on May 8, 2008 by the undersigned hearing officer, designated by the Commissioner of Insurance (hereinafter, "Commissioner") pursuant to N.C. Gen. Stat. § 58-2-55, pursuant to a notice of hearing that was duly issued and served on Respondent, Ted R. Pinner (hereinafter "Respondent").

The N.C. Department of Insurance (hereinafter, "Department") was represented by Assistant Attorney General Robert D. Croom. Steve Bryant with the Department's Agent Services Division was present.

Respondent was present and represented himself.

At the hearing, the Respondent and Steve Bryant, a Complaint Analyst with the Department were called to testify by the Department.

At the hearing, the Respondent testified on his own behalf and called R.E. Wilson and Roger Cawiezell as witnesses.

The Department offered into evidence Exhibits 1 through 19, and said exhibits were admitted into evidence.

The Respondent offered into evidence Exhibits 1 through 11, and said exhibits were admitted into evidence.

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

Findings of Fact

1. The Notice of Administrative Hearing was properly served on the Respondent.
2. The Respondent currently holds licenses as a Life and Health Insurance agent and a Medicare Supplement / Long term Care agent issued by the Department.

3. The Respondent admitted that, in the summer of 2006, he pled guilty to two federal misdemeanor counts of willfully failing to file an income tax return with the Internal Revenue Service (hereinafter, "IRS).
4. The Respondent admitted that he did not notify the Commissioner of his guilty plea within 10 days of its entry.
5. The Respondent admitted that he was sentenced on his guilty plea on January 29, 2007.
6. The Respondent admitted that he did not notify the Commissioner of his guilty plea and conviction within 10 days of his sentencing.
7. The Respondent admitted to violating N.C. Gen. Stat. § 58-2-69(c).
8. The Respondent admitted to willfully failing to file income tax returns with the IRS for the years of 2000, 2001, 2002 and 2003.
9. The Respondent admitted that he had also not timely filed income tax returns with the IRS for years prior to 2000.
10. Documents submitted to the Department by the Respondent show that the Respondent did not timely file income tax returns with the IRS for the years of 1988, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997 and 1999.
11. Documents submitted to the Department by the Respondent show that the IRS suffered a loss of \$520,654.99 due to the Respondent's conduct.
12. The Respondent admitted to failing to file income tax returns with the North Carolina Department of Revenue for the years of 1989 and 1992 through 2003.
13. Documents submitted to the Department by the Respondent show that, as part of an installment agreement between the Respondent and the North Carolina Department of Revenue, the Respondent must pay a total of \$75,556.67 in back taxes, penalties and interest to the North Carolina Department of Revenue.
14. The Respondent's failure to file income tax returns with the North Carolina Department of Revenue and pay state income tax was willful.
15. The Respondent admitted that his willful failure to file income taxes demonstrated incompetence and financial irresponsibility, in violation of N.C. Gen. Stat. § 58-33-46(a)(8).

16. The Respondent did not give credible reasons for his willful failure to file income tax returns.

Based on the forgoing Findings of Fact, the Hearing Officer makes the following:

Conclusions of Law

1. This matter is properly before the Commissioner. The Commissioner has jurisdiction over the parties and the subject matter pursuant to North Carolina General Statutes §58-33-46, 150B-38, 150B-40, 11 NCAC 1.0401 et seq. and other applicable statutes and regulations.
2. The Respondent was properly served with the Notice of Administrative Hearing.
3. The Respondent failed to notify the Commissioner within 10 days of his conviction on two federal misdemeanor counts of willfully failing to file income tax returns with the IRS, in violation of N.C. Gen. Stat. § 58-2-69(c).
4. Pursuant to N.C. Gen. Stat. § 58-33-46(a)(2), the Commissioner may revoke any license issued under Chapter 58, Article 33 of the General statutes for violating N.C. Gen. Stat. § 58-2-69(c).
5. The Respondent has demonstrated incompetence, untrustworthiness and financial irresponsibility in the conduct of business in this state by willfully failing to file income tax returns with the IRS and the North Carolina Department of Revenue. Each instance of failing to file income tax returns demonstrates incompetence, untrustworthiness and financial irresponsibility in the conduct of business in this state and provides sufficient grounds to revoke the Respondent's licenses. Collectively, the repeated failures to file income tax returns also demonstrate incompetence, untrustworthiness and financial irresponsibility in the conduct of business in this state and provide sufficient grounds to revoke the Respondent's licenses. The Commissioner may revoke the Respondent's licenses pursuant N.C. Gen. Stat. § 58-33-46(a)(8).
6. Individually, each violation and each grounds for revocation are sufficient to support a revocation of the Respondent's licenses.
7. The Respondent's licenses should be revoked.

Based on the foregoing Finding of Facts and Conclusions of Law, the Hearing Officer enters the following:

Order

It is hereby ordered that the Life and Health Insurance agent license and Medicare Supplement / Long term Care agent license issued to Respondent, Ted R. Pinner, Jr., are revoked.

This the 28th day of May, 2008.

A solid black rectangular box redacting the signature of the Hearing Officer.

Stewart Johnson, Hearing Officer
N.C. Department of Insurance

APPEAL RIGHTS: This Order may be appealed to Superior Court within 30 days of receipt, as set forth in the General Statutes of North Carolina.