

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 JOSEPH MICHAEL PRESTON  
LICENSE NO. 0007548939

VOLUNTARY SETTLEMENT  
AGREEMENT

**NOW COME**, Joseph Michael Preston (hereinafter "Mr. Preston") and the North Carolina Department of Insurance (hereinafter "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 agents; and

**WHEREAS**, Mr. Preston currently holds a producer's license with the Department with authority for Life, Variable Life & Variable Annuity, Accident & Health or Sickness, Property and Casualty lines of insurance, and a Limited Representative's license; and

**WHEREAS**, North Carolina Gen. Stat. § 58-33-46(a)(2) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of the North Carolina General Statutes for violating any insurance law of this or any other state; and

**WHEREAS**, North Carolina Gen. Stat. § 58-33-46(a)(8) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of the North Carolina General Statutes for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere; and

**WHEREAS**, North Carolina Gen. Stat. § 58-33-46(a)(10) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of the North Carolina General Statutes for forging another's name to an application for insurance or to any document related to an insurance transaction; and

**WHEREAS**, an investigation of Mr. Preston's insurance practices revealed that he used a false checking account number for down payments of premiums for at least fifteen (15) insurance policies that he re-wrote on existing insureds with the same insurer, a violation of North Carolina Gen. Stat. § 58-33-46(a)(8); and

**WHEREAS**, Mr. Preston signed the name of an applicant/policyholder, Alexander Kirk, without his knowledge or consent on the UM/UIM form required with the submission of an application for automobile insurance coverage, a violation of North Carolina Gen. Stat. § 58-33-46(a)(10); and

**WHEREAS**, Mr. Preston has admitted to these violations of North Carolina Gen. Stat. § 58-33-46(a)(8) and North Carolina Gen. Stat. § 58-33-46(a)(10); and

**WHEREAS**, Mr. Preston 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 Mr. Preston; and

**WHEREAS**, the parties to this Agreement mutually wish to resolve these matters by consent before the Department initiates an administrative hearing, and have reached a mutually agreeable resolution of these matters as set out in this Agreement.

**NOW, THEREFORE**, in exchange for the consideration and promises and agreements set out herein, Mr. Preston and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Preston shall pay a **civil penalty of \$1750.00** 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 this civil penalty shall be payable to the "North Carolina Department of Insurance." Mr. Preston shall remit the civil penalty by certified mail, return receipt requested, to the Department along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Department no later than **June 14, 2013**. 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 Department's disciplinary power in any future examinations or investigations of Mr. Preston, or in any other complaints involving Mr. Preston.

3. Mr. Preston enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Preston 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. Preston understands that North Carolina Gen. Stat. § 58-33-46(a)(2) provides that an agent'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, any and all licenses issued by the Department to Mr. Preston shall reflect that Regulatory Action has been taken against him. 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 routinely provides copies of 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.

This the 10<sup>th</sup> day of June, 2013.

North Carolina Department of Insurance

  
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Joseph Michael Preston  
License No. 0007548939

By  6-13-13  
Angela K. Ford  
Senior Deputy Commissioner