

NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA

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STATE OF NORTH CAROLINA )  
COUNTY OF WAKE )  
  
IN THE MATTER OF THE LICENSURE )  
OF JOEL RAY AND STIFENEB, LLC )  
License Number 1222531 )  
)  
)  
)

BEFORE THE COMMISSIONER #96865  
OF INSURANCE  
  
VOLUNTARY SETTLEMENT  
  
AGREEMENT

NOW COME Joel Ray and Stifeneb, LLC and the North Carolina Department of Insurance [hereinafter "the Department"], by and through Senior Deputy Commissioner Angela Ford, and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement, hereinafter "this document":

WHEREAS, the Department has the authority and responsibility for enforcement of the insurance laws of this State, for regulating and licensing insurance agents and bail bondsmen, and for regulating the continuing education of insurance agents and bail bondsmen;

WHEREAS, Joel Ray holds nonresident producer's licenses issued by the Department with authority for Life, and Accident Health or Sickness Lines of Insurance;

WHEREAS, Mr. Ray formed Stifeneb, LLC, a licensed insurance agency located in Dallas, Texas, in 2005. Mr. Ray is the manager and sole member of Stifeneb, LLC. Stifeneb, LLC holds a nonresident business entity license issued by the Department;

WHEREAS, miQuotes, LLC was an internet insurance quoting company located in Overland Park, Kansas. Agents working in miQuotes, LLC's Kansas call center marketed and sold life and health insurance over the telephone to leads generated through the internet. William McEvoy, a duly licensed and appointed agent, supervised and managed agents working in miQuotes, LLC's Kansas call center;

WHEREAS, in April 2007, Stifeneb, LLC acquired miQuotes, LLC for the purpose of selling life and health insurance through the telephone and internet ;

WHEREAS, Stifeneb, LLC marketed and sold life and health insurance under the name of miQuotes.com after it acquired miQuotes, LLC. Although Stifeneb, LLC and Mr. Ray were already licensed to sell insurance when Stifeneb, LLC acquired miQuotes, LLC, neither Stifeneb, LLC nor Mr. Ray had any experience selling insurance;

**WHEREAS**, between April 2007 and December 2010, Stifeneb, LLC employed agents to market and sell life and health insurance products over the telephone to leads generated through the internet. Stifeneb, LLC's agents worked in the Kansas call center from April 2007 until February 2008, when Stifeneb, LLC moved the call center to Dallas, Texas. Stifeneb, LLC operated the Texas call center from February 2008 to December 2010. Mr. Ray informed Agent Services that William McEvoy managed and supervised Stifeneb, LLC's call center agents from April 2007 until September 2009 and that Mr. Ray was not involved in the daily operations of the call center. After Mr. McEvoy's departure, Stifeneb, LLC continued to operate the Texas call center in the same manner as it was run under Mr. McEvoy's supervision;

**WHEREAS**, in January 2011, Agent Services received a complaint from Bob Walker, a former Insurance Services Manager for Stifeneb, LLC, which alleged that Stifeneb, LLC sold insurance through agents who lacked North Carolina resident licenses and appointments working in Stifeneb, LLC's call center, and through agents who lacked North Carolina resident licenses and appointments, with whom Stifeneb, LLC had entered into Online Agency Agreements. Mr. Walker managed and supervised the agents working in Stifeneb, LLC's call center from September 2009 to October 2010;

**WHEREAS**, counsel for Mr. Ray and Stifeneb, LLC subsequently provided written answers and documents in response to Agent Services Division's requests for information and documents pertaining to Stifeneb, LLC's sales of insurance to North Carolina residents;

**WHEREAS**, the information and documents which Mr. Ray and Stifeneb, LLC provided to Agent Services showed that between 2008 and 2010, call center agents employed by Stifeneb, LLC who lacked North Carolina resident licenses and appointments sold 61 insurance policies to North Carolina residents. These agents only held resident Texas agent licenses;

**WHEREAS**, the insurance applications for the 61 policies sold to North Carolina residents identified Joel Ray or William McEvoy as the writing agent and were signed by Mr. Ray or Mr. McEvoy as writing agent. Mr. Ray and Mr. McEvoy held appropriate North Carolina nonresident agent licenses and appointments with the insurance companies involved. The majority of the insurance applications were for AIG American General insurance policies;

**WHEREAS**, Mr. Ray violated N.C.G.S. § 58-33-105 by signing as writing agent at least 23 insurance applications which were actually taken from North Carolina residents by agents who lacked North Carolina resident licenses and appointments working in Stifeneb, LLC's call center;

**WHEREAS**, Mr. Ray informed Agent Services that Mr. McEvoy routinely signed the insurance applications taken by miQuotes, LLC call center agents as the writing agent and that Mr. McEvoy continued this practice after Stifeneb, LLC hired Mr. McEvoy to supervise and manage its call center. When Mr. McEvoy later resigned from his position with Stifeneb, LLC, Mr. Ray assumed Mr. McEvoy's role of signing the insurance applications taken by Stifeneb,

LLC's call center agents. Mr. Ray further informed Agent Services that Mr. Ray believed that AIG American General had approved of Mr. McEvoy's practice of signing insurance applications taken by call center agents;

**WHEREAS**, the information and documents which Mr. Ray and Stifeneb, LLC provided also showed that Stifeneb, LLC had entered into Online Agency Agreements with Stifeneb, LLC [hereinafter, "online agents"] to market insurance online through agent websites hosted and maintained for the agents by Stifeneb, LLC through miQuotes.com or miQuotes.net on one of Stifeneb, LLC's servers;

**WHEREAS**, Stifeneb, LLC's Online Agency Agreements require the online agents to be licensed and appointed with the insurers' whose products are featured on the online agents' miQuotes website and provide that the online agents will receive compensation for those sales directly from the insurers. However, the Online Agency Agreements also provide that Stifeneb, LLC will compensate online agents for sales of insurance products to residents of states in which the agent is not licensed or appointed by the insurers. Thus, the Online Agency Agreements contemplate that online agents will sell insurance to residents of states in which the agents are not licensed or appointed and that Stifeneb, LLC will compensate the online agents for those sales;

**WHEREAS**, Stifeneb, LLC violated N.C.G.S. §§ 58-33-26(a) and (j) and 58-33-40(a) by using call center and online agents who lacked North Carolina resident licenses and appointments to market and sell insurance to North Carolina residents;

**WHEREAS**, Stifeneb, LLC violated N.C.G.S. § 58-33-82(a),(b), and (d) by compensating agents who lacked North Carolina resident licenses and appointments for these sales to North Carolina residents;

**WHEREAS**, Mr. Ray informed Agent Services that Stifeneb, LLC closed the call center in December 2010 after several insurers advised Stifeneb, LLC that its agents needed to hold nonresident agent licenses in order to solicit insurance from consumers residing outside of Texas. Since Stifeneb, LLC closed its call center, Stifeneb, LLC has supplied insurance leads obtained through miQuotes.com to third-party call centers with which it has entered into Affiliation Agreements [hereinafter, "Affiliates"] while continuing to host and maintain agent websites through miQuotes.com or miQuotes.net. The Affiliates are responsible for hiring duly licensed and appointed agents to sell, solicit, and negotiate insurance to the leads furnished by Stifeneb, LLC and must compensate Stifeneb, LLC for any resulting insurance sales pursuant to the Affiliation Agreements;

**WHEREAS**, Mr. Ray informed Agent Services that Stifeneb, LLC stopped compensating online agents for sales made to residents of states in which the online agents are not duly licensed and appointed after Agent Services informed Stifeneb, LLC that this practice violates N.C.G.S. §§ 58-33-26(a) and (j), 58-33-40(a) and 58-33-82(a), (b), and (d);

**WHEREAS**, Mr. Ray and Stifeneb, LLC have amended Stifeneb, LLC's standard Online Agency Agreements to eliminate any provision for compensation to online agents for online sales made to residents of states in which the online agent is not duly licensed and appointed with the insurers;

**WHEREAS**, pursuant to N.C.G.S. § 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;

**WHEREAS**, throughout the course of the Department's investigation and its discussions with Mr. Ray regarding this matter, Mr. Ray and Stifeneb, LLC have demonstrated cooperation with the Department; and

**WHEREAS**, Joel Ray and Stifeneb, LLC have 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 this matter;

**WHEREAS**, the parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing concerning this matter; and

**WHEREAS**, Joel Ray and Stifeneb, LLC have agreed to pay a total administrative fine of \$8,400 in lieu of other administrative action against their licenses for these violations of Chapter 58;

**WHEREAS**, the parties to this document have reached a mutually agreeable resolution of this matter as set out in this Voluntary Settlement Agreement.

**NOW, THEREFORE**, in exchange for the consideration of the promises and agreements set out herein, the Department, Joel Ray, and Stifeneb, LLC hereby agree to the following:

1. Contemporaneously with the execution of this document, Joel Ray and Stifeneb, LLC shall pay a civil penalty of eight thousand four hundred dollars (\$8,400.00) to the Department. The check for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." This 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 the public schools. The Department must receive both the civil penalty and this signed document from Joel Ray and Stifeneb, LLC by no later than **March 27, 2013**.
2. Joel Ray and Stifeneb, LLC agree to comply with all statutory and regulatory requirements applicable to insurance agents in this State.

3. This Agreement does not in any way affect the Department's disciplinary power in any future actions, cases or complaints involving Joel Ray and Stifeneb, LLC.
4. The parties to this document agree that the Superior Court of Wake County shall be the venue for any actions seeking to enforce this document.
5. If, for any reason, any part or provision of this document is found to be void or unenforceable, the other parts and provisions shall remain in full force and effect.
6. The parties to this document have read and understand this document and agree to abide by the terms and conditions contained herein.
7. This Agreement, when finalized, will be a public record and is not confidential. Any and all licenses issued by the Department to the licensee shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. 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.
8. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Joel Ray and Stifeneb, LLC understand that N.C. Gen. Stat. § 58-33-46(a)(2) provides that a person's licenses may be revoked for violating an Order of the Commissioner.
9. Joel Ray and Stifeneb, LLC voluntarily waive any right to notice of an administrative hearing and any right to a hearing on the violation and disciplinary action referenced in this Settlement Agreement. Joel Ray and Stifeneb, LLC also waive any right to appeal and agrees not to challenge the validity of this Settlement Agreement in any way.
10. The promises, agreements, representations and consideration contained herein are not mere recitals but are contractual in nature.
11. This written document contains the entire agreement between the Parties. There are no other oral or written agreements of any kind that alter or add to this agreement.

NORTH CAROLINA DEPARTMENT  
OF INSURANCE

By [Redacted]  
Angela K. Ford  
Senior Deputy Commissioner

Date: April 15, 2013

[Redacted]

Joel Ray  
Date: 3-28-13

STIFENEB, LLC  
By: [Redacted]

Date: 3-28-13

