

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

#110188

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE MATTER OF THE LICENSURE
OF SECURITIES AMERICA, INC.
LICENSE NO. 1000004616

RECEIVED IN AGENT SERVICES
BEFORE THE COMMISSIONER
OF INSURANCE
VOLUNTARY SETTLEMENT
AGREEMENT
CHECK NO. [REDACTED]
CHECK AMT. [REDACTED]

NOW COME, Securities America, Inc. (hereinafter SECURITIES AMERICA) 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 business entities; and

WHEREAS, SECURITIES AMERICA currently holds a non-resident Corporation (Business Entity) License with the Department; and

WHEREAS, North Carolina General Statute § 58-33-32(k) requires designated producers on behalf of the licensed business entity to report to the Commissioner any administrative action taken against the producer in another state or by another governmental agency in this State, including enforcement actions taken against the producer by the Financial Industry Regulatory Authority (FINRA), within 30 days after the final disposition of the matter; and

WHEREAS, SECURITIES AMERICA was involved in a proceeding before the Financial Industry Regulatory Authority (FINRA) in which SECURITIES AMERICA entered into Acceptance, Waiver and Consent Agreement (AWC) on October 19, 2015; and

WHEREAS, SECURITIES AMERICA did not report this action to the Department within 30 days after the final disposition of that matter as required by North Carolina General Statute § 58-33-32(k), and therefore was in violation thereof; and

WHEREAS, SECURITIES AMERICA admits to this violation of North Carolina General Statute § 58-33-32(k); and

WHEREAS, North Carolina General Statute § 58-33-46a(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, SECURITIES AMERICA was involved in an administrative proceeding before the Nebraska Department of Insurance resulting into the entering of a Consent Order effective November 13, 2012 in which Securities America agreed to pay a monetary penalty in the amount of \$500.00 to resolve the matter; and

WHEREAS, SECURITIES AMERICA answered "No" to the question on its license renewal applications for the years 2014 through 2016 regarding whether the business entity or any owner, partner, officer or director, or manager of a limited liability company, been named or involved as a party in an administrative proceeding regarding any professional or occupational license, or registration that has not been previously reported to this State; and

WHEREAS, SECURITIES AMERICA admits to these violations of North Carolina General Statute § 58-33-46(a)(1); 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 as well as FINRA; and

WHEREAS, SECURITIES AMERICA 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 SECURITIES AMERICA; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Department 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, SECURITIES AMERICA and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, SECURITIES AMERICA shall pay a civil penalty of **\$1000.00** 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." SECURITIES AMERICA 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 **January 18, 2017**. 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 examination of SECURITIES AMERICA or in any other complaints involving SECURITIES AMERICA.
3. SECURITIES AMERICA enters into this Agreement freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter. SECURITIES AMERICA understands it 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. SECURITIES AMERICA understands that N.C.G.S. § 58-33-46(a)(2) provides that a 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, any and all licenses issued by the Department to SECURITIES AMERICA shall reflect that Regulatory Action has been taken against it. 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.
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.

This the 29th day of December, 2016.

Securities America
License No. 1000004616

N.C. Department of Insurance



By: ~~Mark Laswell~~
Chief Compliance Officer
Kevin J. Miller
Executive Vice President & General Counsel



By: ~~Angela Ford~~ Rebecca Shigley
Senior Deputy Commissioner Deputy Commissioner