

**NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA**



**STATE OF NORTH CAROLINA  
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER  
OF INSURANCE**

**IN THE MATTER OF THE LICENSURE  
OF CHRISTOPHER J. SHAW  
LICENSE NO. 16366750**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME**, the Agent Services Division (hereinafter "Agent Services Division") of the North Carolina Department of Insurance (hereinafter "the Department") and Christopher J. Shaw (hereinafter "Mr. Shaw" or "Licensee"), who neither admits nor denies the allegations made by Department, and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

**WHEREAS**, the Agent Services Division regulates and licenses insurance agents in North Carolina; and

**WHEREAS**, Mr. Shaw currently holds a resident insurance producer's license with authority for Variable Life & Variable Annuity, Life, Accident & Health or Sickness, and Medicare Supplement/Long Term Care lines of insurance issued by the North Carolina Department of Insurance; and

**WHEREAS**, Mr. Shaw also currently holds securities licenses that permit him transact in securities; and

**WHEREAS**, in 2020, Mr. Shaw transferred his client investment accounts from Kalos Capital, Inc. to Prudential Financial, Inc. ("Prudential"); and

**WHEREAS**, in April 2020, Prudential gave Mr. Shaw several new client accounts to manage. While Mr. Shaw's investment clients generally have discretionary accounts, the new client investment accounts were non-discretionary; and

**WHEREAS**, on April 23, 2020, Mr. Shaw purchased shares of a mutual fund in 10 non-discretionary accounts belonging to seven of the new clients, and purchased shares of exchange-traded funds using funds in eight separate accounts belonging to five of the new clients; and

**WHEREAS**, it is ASD's position that executing securities purchases with client funds without the client's authorization or speaking to the client beforehand is evidence of financial irresponsibility in the conduct of business in this State or elsewhere; and

**WHEREAS**, N.C. Gen. Stat. § 58-33-46(a)(8) authorizes the North Carolina Insurance Commissioner to suspend, revoke, place on probation, or refuse to renew any license on the grounds that a licensee has demonstrated “incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere[;]” and

**WHEREAS**, pursuant to N.C. Gen. Stat. § 58-2-70(g), Agent Services Division, as an authorized designee of the Commissioner of Insurance, has express authority to negotiate a mutually acceptable agreement with any person as to the status of the person’s North Carolina insurance license, or as to any civil penalty or restitution; and

**WHEREAS**, Mr. Shaw has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of himself, 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. Shaw; and

**WHEREAS**, this Agreement is civil in nature and does not preclude criminal prosecution that may result from investigations, if any, conducted by the North Carolina Department of Insurance’s Criminal Investigation Division for violation of criminal laws; 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. Shaw and the Agent Services Division hereby agree to the following:


1. Immediately upon the signing of this Agreement, Mr. Shaw shall pay a civil penalty of two thousand dollars (**\$2,000.00**) to the Agent Services Division. 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. Shaw shall remit the civil penalty by certified mail, return receipt requested, to NCDOI Agent Services Division (Attention: Roy Foster, ASD) together with the original copy of this Agreement bearing Mr. Shaw’s signature. **The civil penalty and the signed Agreement must be received by the Department no later than Monday, December 20, 2021.** 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 or the Agent Services Division’s disciplinary power in any future examination of Mr. Shaw, or in any other cases or complaints involving Mr. Shaw.
3. Mr. Shaw enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Shaw has consulted 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. Shaw understands that N.C.G.S. § 58-33-46(a)(2) provides that an insurance producer's or broker'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 North Carolina Department of Insurance or the Agent Services Division. Following the execution of this Agreement, all licenses issued by the North Carolina Department of Insurance to Mr. Shaw shall reflect that Regulatory Action has been taken against him. The North Carolina Department of Insurance 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 North Carolina Department of Insurance routinely provides copies of voluntary settlement agreements 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. This Agreement between Mr. Shaw and the Agent Services Division shall become effective when signed by Mr. Shaw and by Angela Hatchell, Deputy Commissioner of the Agent Services Division.
8. Be aware that if a state or federal regulator other than the North Carolina 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 North Carolina Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

  
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Christopher J. Shaw  
N.C. License No. 16366750

Date: 12-1-2021

**AGENT SERVICES DIVISION OF THE  
NORTH CAROLINA DEPARTMENT OF INSURANCE**

By:   
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Angela Hatchell  
Deputy Commissioner of the Agent Services Division

Date: 12/9/2021