

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 ORLANDO TATE

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME Orlando Tate (hereinafter, "Mr. Tate") 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 business entities and licensees; and

WHEREAS, Mr. Tate and holds a license issued by the Department in the area of Life and Health; and

WHEREAS, the Department received a complaint from Life Investors Insurance Company of America ("Life Investors") alleging that Mr. Tate had engaged in dishonest and fraudulent business practices in regards to five different Life Investors policies; and

WHEREAS, the dishonest and fraudulent business practices alleged by Life Investors include filing life insurance applications with false information concerning applicants' current medical condition, medical history, student and employment status, height and weight, driving violations history, alcohol use, and felony conviction status; and

WHEREAS, the Department conducted an investigation into Life Investors' complaint and concluded that Mr. Tate had acted in violation of several insurance laws as listed below; and

WHEREAS, Mr. Tate violated N.C. Gen. Stat. § 58-33-46(a)(8) by using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business by submitting life insurance applications containing false information, for which Mr. Tate's license could be revoked; and

WHEREAS, Mr. Tate violated N.C. Gen. Stat. § 58-33-105 by knowingly or willfully making a false or fraudulent statement or representation in applications for insurance submitted to Life Investors; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-33-46(a)(2), Mr. Tate's licenses are subject to revocation for violation of the insurance laws; and

WHEREAS, the Mr. Tate 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. Tate; and

WHEREAS, pursuant to N.C. Gen. Stat. § 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; and

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, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement; and

WHEREAS, the parties had previously agreed upon settlement of this claim, including a \$2,000 civil penalty which was to be paid to the Department no later than October 31, 2007; and

WHEREAS, Mr. Tate contacted the Department in early October 2007, stating that he had financial difficulties and could not timely make payment of the \$2,000 civil penalty; and

WHEREAS, Mr. Tate requested of the Department an extension of time in which to remit the civil penalty; and

WHEREAS, the Department agreed to extend the time in which Mr. Tate may pay the civil penalty set forth in the VSA to January 15, 2008, on the conditions that, (1) if Mr. Tate fails to remit this payment on time, Mr. Tate agrees that his licenses issued by the Department shall be considered immediately surrendered and forfeit, without an administrative hearing on the matter, and (2) that Mr. Tate must execute a written agreement stating the same therein and must return the signed written agreement to the Department no later than Tuesday, October 30, 2007; and

WHEREAS, this Voluntary Settlement Agreement constitutes the written agreement which Mr. Tate has agreed to execute and return to the Department no later than Tuesday, October 30, 2007;

NOW, THEREFORE, in exchange for, and in consideration of the promises and agreements set out herein, the Department and Orlando Tate hereby agree to the following:

1. Mr. Tate shall execute (sign) and notarize this document and return it no later than 5 p.m. on Tuesday, October 30, 2007 by facsimile to:

Rebecca E. Lem, Assistant Attorney General,
Fax: (919)716-6757

Mr. Tate will also send the original signed document to be mailed (postmarked) no later than Tuesday, October 30, 2007. The original shall be sent by certified mail, return receipt requested, to the following address:

Rebecca E. Lem
Assistant Attorney General
Insurance Section
9001 Mail Service Center
Raleigh, N.C. 27699-9001

Mr. Tate shall retain the return receipt for his records.

2. Mr. Tate shall pay a civil penalty of \$2,000.00 to the Department. The form of payment shall be in a certified check, cashiers 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. Tate shall send the civil penalty by certified mail, return receipt requested, to the Department, and Mr. Tate shall retain the return receipt for his records. The Department must receive both the civil penalty from Mr. Tate no later than January 15, 2008.

3. If Mr. Tate does not remit the entire amount of the fine (\$2,000.00) to be received by the Department no later than January 15, 2008, Mr. Tate agrees that any and all licenses issued by the Department to him shall be considered immediately surrendered without an administrative hearing. In the event of non-remittance of the entire amount of the fine, the effective date of Mr. Tate's license surrender will be January 16, 2008. In the event that Mr. Tate fails to remit the entire amount of the administrative penalty (\$2,000.00) by January 15, 2008, Mr. Tate hereby expressly waives the right to an administrative hearing concerning his license surrender.

4. Mr. Tate agrees to comply with all statutory and regulatory requirements applicable to insurance agents in this State.

5. This Agreement does not in any way affect the Department's disciplinary power in any future actions, cases or complaints involving Mr. Tate.

6. Mr. Tate enters into this Agreement freely and voluntarily and with knowledge of his

rights to have an administrative hearing on this matter. Mr. Tate understands that he may consult with an attorney prior to entering into this Agreement.

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 licensees 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. The Department routinely provides copies of voluntary settlement agreements to the NAIC and all companies that have appointed the licensee.

8. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Tate understands that N.C. Gen. Stat. § 58-33-46(a)(2) provides that its license may be revoked for violating an Order of the Commissioner

9. This Settlement Agreement shall become effective when signed by Mr. Tate and the Department.

By: [Redacted]
Orlando Tate

Date signed: 10/24/07

Notarized:



State of North Carolina, County of Mecklenburg
I, Patricia S. Cochran, Notary Public
do hereby certify that ORLANDO LEWIS TATE
personally appeared before me this day and acknowledged
the due execution of the foregoing instrument.

Witness my hand and official seal this 26th day of
OCTOBER 2007

[Redacted] Notary Public

My Comm. Exp. JANUARY 4, 2010

NORTH CAROLINA DEPARTMENT OF INSURANCE

By: [Redacted]
Angela Ford
Senior Deputy Commissioner

Date signed: 11-8-07