

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

TENNESSEE INSURANCE DIVISION,)	
Petitioner,)	
)	
vs.)	TID No.: 11-104
)	
BLAKE FINANCIAL GROUP, INC. and)	
CHRISTOPHER PEACE BLAKE,)	
Respondents.)	

CONSENT ORDER

The Tennessee Insurance Division (“Division”), Blake Financial Group, Inc. (“BFG”) and Christopher Peace Blake (“Respondents”) hereby stipulate and agree to the entry of this Consent Order subject to the approval of the Commissioner of the Department of Commerce and Insurance (“Commissioner”) as follows:

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of an order by the Commissioner.
2. The Commissioner has determined that the resolution set forth in this Consent Order is fair, reasonable, and in the best public interest.
3. This Consent Order is executed by Respondents for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or

illegally prejudice the Commissioner from further participation or resolution of these proceedings.

4. Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against Respondents for acts or omissions not specifically addressed in this Consent Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

5. Respondents expressly waive all further procedural steps and all rights to seek judicial review of or to otherwise challenge or contest the validity of this Consent Order, the stipulations and imposition of discipline expressly contained herein, and the consideration and entry of said Consent Order by the Commissioner.

FINDINGS OF FACT

6. The Commissioner of the Department of Commerce and Insurance has jurisdiction pursuant to the Tennessee Insurance Law (the "Law"), Title 56 of Tennessee Code Annotated, and the Law places the responsibility for the administration of its provisions on the Commissioner.

7. The Division is the lawful agent through which the Commissioner administers the Law and is authorized to bring this action for the protection of the public.

8. Respondent BFG is a Tennessee corporation located at 5726 Marlin Road, Suite 413, Chattanooga, Tennessee 37411. On March 9, 2009, the Division granted BFG a business entity license, numbered 0005998

9. Respondent Christopher Peace Blake ("Blake") is a citizen and resident of Tennessee. On November 4, 1993, the Division granted Blake an insurance producer license, numbered 0741171.

10. Blake is the president and chief executive officer of BFG.

11. At the time of most of the events outlined herein, Blake was personally licensed in the District of Columbia and all fifty (50) states. Since the investigation Blake voluntarily agreed to revocation of his license in the State of Indiana, and has not sought license renewal in the State of Vermont.

12. On or about November 29, 2010, the Division received notice from the state of California Department of Managed Healthcare that it had received multiple complaints from carriers that many, if not all, of BFG's sales agents were unlicensed insurance producers. Upon receipt of such notice, the Division began an investigation of BFG pursuant to Inquisitorial Order No. 11-005.

13. On or about March 24, 2011, the Division conducted a visit to BFG. During the visit, it was discovered that of the forty-eight (48) agents who worked for BFG since 2006, most regularly sold prescription drug plans in states where they were not licensed.

14. At the time of the investigation, Blake asserts he was unaware that BFG's agents required licensing in each state that they recommended or negotiated policies in accordance with that state's laws and rules. Blake had been under the impression that because the insurance products BFG sold were through Centers for Medicare and Medicaid Services ("CMS") guidelines that his agents were in compliance by being licensed solely in their resident state. Further, Blake believed he was in compliance with all applicable Insurance Laws since he served as the managing general agent on all

contracts and all policies were approved through his own agent licensing.

15. After notifying Blake that BFG's sales agents were required to be licensed in each state where they sold such plans, Blake terminated all but four (4) agents, and now requires that the agents currently selling plans for BFG be licensed in each state where the agents sell such plans.

16. Since the Division began its investigation Blake's non-resident insurance producer license has been revoked in Indiana. Between April and August 2009 Blake was issued monetary penalties by the State of Wisconsin Office of the Commissioner of Insurance for five hundred dollars (\$500) for non-compliance with marketing material requirements, the State of Alabama Department of Insurance for two hundred fifty dollars (\$250) for misstatements made on his license application, and the State of Indiana Department of Insurance for two hundred fifty dollars (\$250) for failing to report the Wisconsin action.

CONCLUSIONS OF LAW

1. TENN. CODE ANN. § 56-6-112(a) provides that "[t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew a license issued under this part or may levy a civil penalty in accordance with this section or take any combination of those actions, for any one (1) or more of the following causes:

- (2) Violating any law, rule, regulation, subpoena or order of the commissioner or of another state's commissioner;
.....
- (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere; [and]
.....
- (13) Knowingly accepting insurance business from an individual

who is not licensed.

2. Based upon the Findings of Fact cited above and the Conclusions of Law contained herein, the Commissioner considers the actions of Respondents to be in violation of TENN. CODE ANN. § 56-6-112(a)(2) for violating the laws of another state's Commissioner, (8) for demonstrating incompetence in the business of insurance, and (13) for knowingly accepting insurance business from an individual who is not licensed. Respondents are therefore subject to sanctions set forth in TENN. CODE ANN. §56-6-112.

3. Respondents do not deny the Findings of Fact cited above, and understand that such Findings subject them to sanctions specified in TENN. CODE ANN. § 56-6-112. Respondents hereby acknowledge the Commissioner's authority to administer the Law and concede that the Commissioner's interpretations of the statutes cited in the Conclusions of Law are reasonable and enforceable.

4. Respondents hereby agree to the entry of this Consent Order in the interest of cooperation and settlement, and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter.

ORDER

NOW, THEREFORE, based on the foregoing and the waiver by Respondents of their right to a hearing and appeal under the Law and Tennessee's Uniform Administrative Procedures Act, TENN. CODE ANN. §§ 4-5-101 *et seq.*, and the admission by Respondents of the jurisdiction of the Commissioner, the Commissioner finds that Respondents have agreed to the entry of this Consent Order and that this Consent Order is appropriate, in the public interest, and necessary for the protection of the public.

IT IS THEREFORE ORDERED, pursuant to TENN. CODE ANN. §§ 56-6-112

that:

1. The business entity license, numbered 0005998 issued to Respondent, Blake Financial Group, Inc., is hereby placed on probation for a period of two (2) years;
2. The insurance producer license, numbered 0741171 issued to Respondent, Christopher Peace Blake, is hereby placed on probation for a period of two (2) years;
3. As condition of probation Respondents agree to comply with all applicable Insurance laws. Any violations committed by Respondents during the probationary period releases the Commissioner from the terms of this Consent Order to pursue the full legal remedies available prior to entering into this Order. Respondents also agree to a follow-up investigatory audit, at the discretion of the Division in order to ensure future compliance with the Law.
4. Respondents shall pay to the Division a penalty in the total sum of twenty-five thousand dollars (\$25,000) to be made in monthly installment payments over a twelve (12) month period. The first monthly payment shall be for the amount of three thousand dollars (\$3,000) and the subsequent eleven (11) payments shall be for the amount of two thousand dollars (\$2,000). Each payment shall be due on the first day of each month and will be deemed a missed payment if not received by the fifth day of each month. Any missed payment will result in the Division having full discretion to demand the remaining balance of the twenty-five thousand

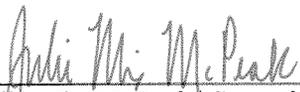
dollar (\$25,000) penalty and failure to pay the full amount will result in automatic revocation of Respondents' license. Payments shall begin on the first day of the month following finalization and entry of this Consent Order.

This Consent Order represents the complete and final resolution and discharge of administrative remedies available to the Commissioner under TENN. CODE ANN. §§ 56-6-112 against Respondents for violations of the Law arising out of the Findings of Fact cited above.

This Consent Order is in the public interest and in the best interests of the parties, represents a compromise and settlement of the controversy between the parties, and is for settlement purposes only. By signature affixed below, Respondents, Blake Financial Group, Inc. and Christopher Peace Blake affirmatively state that they have: (a) freely agreed to the entry of this Consent Order; (b) had an opportunity to consult with legal counsel in this matter; (c) reviewed the Findings of Fact and Conclusions of Law contained herein; and (d) waived their right to a hearing on the matters underlying this Consent Order. Respondents further state that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof with regard to this Consent Order.

By signing this Consent Order, the parties affirm their agreement to be bound by the terms of this Consent Order and confirm that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

ENTERED this the 31st day of October, 2012.



Julie Mix McPeak, Commissioner of the
Department of Commerce and Insurance



Larry C. Knight, Jr.
Assistant Commissioner for Insurance
Department of Commerce and Insurance
Davy Crockett Tower
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Christopher Peace Blake,
Individually and on
Behalf of Respondent Blake
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