TN- 0958926
NPN- 8908896

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

TENNESSEE INSURANCE DIVISION, **Petitioner,**	)	
vs.	)	**No: 12.01-113384J**
CAJEWEL ANISE PEGUES, **Respondent.**	)	

INITIAL ORDER

This contested case was heard on August 17 2012, before Administrative Judge Mary M. Collier, assigned by the Secretary of State, Administrative Procedures Division, to sit for the Commissioner of the Tennessee Department of Commerce and Insurance. Bruce Poag, Assistant General Counsel, represented the Department in this matter. Cajewel Anise Pegues, Respondent, was conferenced into the hearing via telephone and was not represented by counsel.

The issue in this matter is Respondent's alleged violations of TENN. CODE ANN. § 56-6-112(a)(6) (2008) and the appropriate penalty to be imposed for any such violations pursuant to TENN. CODE ANN. §§ 56-2-305(a)(2) (2008). After consideration of the entire record, it is determined that Respondent's felony convictions are in violation of TENN. CODE ANN. § 56-6-112(a)(6) (2008) and that penalties shall issue as further specified below.

This determination is based on upon the following Findings of Fact and Conclusions of Law.

SUMMARY OF EVIDENCE

Respondent was called to testify as a witness by Petitioner. No witnesses testified at the hearing on behalf of Petitioiner. Two Exhibits were entered into evidence: Collective Exhibit 1, certified copy of Respondent's Plea Agreement and Judgment of Conviction; and Exhibit 2, Affidavit of Kimberly Biggs, entered into evidence effectively as live witness testimony.

FINDINGS OF FACTS

1. The evidence was undisputed by Respondent.

2. Insurance producer license number 958926 was issued to Respondent in 2006 and expired on October 31, 2011.

3. Respondent retains a property interest right in her insurance producer license until October 31, 2012.

4. As an employee of Federal Express ("FedEx"), Respondent conspired with Lolita Arnold and Aaron Hendrix to devise a scheme to defraud and to obtain money from FedEx by false and fraudulent pretenses. Respondent created fraudulent FedEx vendor accounts for Arnold and Hendrix and claimed they were owed money for work purportedly performed on behalf of FedEx. Arnold and Hendrix never performed any work for FedEx. The scheme occurred from approximately June 2004 to August 2006.

5. As a result of Respondent's actions, FedEx sustained a financial loss of one hundred sixteen thousand eighty dollars and ninety-five cents ($116,080.95).

6. FedEx terminated Respondent's employment in August 2006.

7. On April 6, 2010, Respondent was named in a twenty-three count indictment by a federal grand jury.

8. On November 16, 2010, Respondent pleaded guilty to two counts of mail fraud-aiding and abetting, both felonies, in the United States District Court for the Western District of Tennessee, Western Division. The remaining counts of the indictment were dismissed.

9. Respondent was ordered to serve a twenty four (24) month sentence of confinement for each count. The sentences of confinement were ordered to be served concurrently with one another. Respondent was also ordered to serve a three (3) year sentence of supervised release for each count after her release from confinement. The sentences of supervised release were ordered to

be served concurrently with one another. Respondent was further ordered to pay restitution to FedEx in the amount of one hundred sixteen thousand eighty dollars and ninety-five cents ($116,080.95).

10. Respondent is currently serving her sentence of incarceration at a federal penitentiary in Illinois.

11. Respondent is scheduled to be released to a half-way house in Tupelo, Mississippi on August 21, 2012.

APPLICABLE LAW

8. TENN. CODE ANN. § 56-6-112(a) (2008) authorizes the Commissioner to place on probation, suspend, revoke or refuse to issue or renew a license for any of the following conduct:

(6) Having been convicted of a felony.

9. TENN. CODE ANN. § 56-2-305 (2008) permits a monetary penalty of not more than one thousand dollars ($1,000) for each violation of TENN. CODE ANN. § 56-6-112(a) (2008).

CONCLUSIONS OF LAW

10. The Department has shown by the preponderance of the evidence that Respondent has committed two violations of TENN. CODE ANN. § 56-6-112(a)(6) (2008) by having been convicted of two felonies.

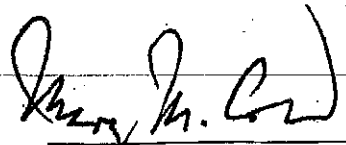
CONCLUSION

Based on the foregoing Findings of Facts and Conclusions of Law, the Department's Petition to revoke Respondent's property interest right in her insurance producer license and to impose civil penalties against her is hereby **GRANTED**. Respondent's property interest right in her insurance producer license is hereby **REVOKED**. Furthermore, Respondent is assessed a civil penalty in the amount of $200, representing $100 for each violation. Respondent shall pay her civil penalty directly to the Department at the following address: Tennessee Department of Commerce and Insurance, ATTN: Cashier's Office, 500 James Robertson Parkway, Nashville, Tennessee 37243. For reference

purposes, Respondent shall enclose the first page of this Initial Order with her payment to the Department. Costs of this action are assessed against the Department.

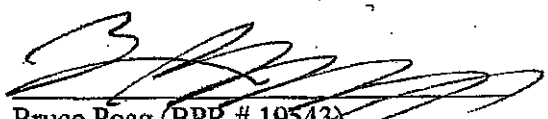
IT IS SO ORDERED.

This INITIAL ORDER entered and effective this the 7TH day of SEPT., 2012.



Mary M. Collier
Administrative Judge

Approved for Entry:



Bruce Poag (BPR # 19543)
Assistant General Counsel
Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, Tennessee 37243

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Proposed Initial Order has been sent to the following individual(s) *via* United States Postal Service, first class mail, postage pre-paid, this the 17th day of August 2012.

Cajewel Pegues
P.O. Box 524
Olive Branch, MS 38654

Bruce Poag
Certifying Attorney

APPENDIX A TO INITIAL ORDER
NOTICE OF APPEAL PROCEDURES

Review of Initial Order

This Initial Order shall become a Final Order (reviewable as set forth below) fifteen (15) days after the entry date of this Initial Order, unless either or both of the following actions are taken:

(1) A party files a petition for appeal to the agency, stating the basis of the appeal, or the agency on its own motion gives written notice of its intention to review the Initial Order, within fifteen (15) days after the entry date of the Initial Order. If either of these actions occurs, there is no Final Order until review by the agency and entry of a new Final Order or adoption and entry of the Initial Order, in whole or in part, as the Final Order. A petition for appeal to the agency must be filed within the proper time period with the Administrative Procedures Division of the Office of the Secretary of State, 8th Floor, William R. Snodgrass Tower, 312 Rosa L. Parks Avenue, Nashville, Tennessee, 37243-1102. (Telephone No. (615) 741-7008). See Tennessee Code Annotated, Section (T.C.A. §) 4-5-315, on review of initial orders by the agency.

(2) A party files a petition for reconsideration of this Initial Order, stating the specific reasons why the Initial Order was in error within fifteen (15) days after the entry date of the Initial Order. This petition must be filed with the Administrative Procedures Division at the above address. A petition for reconsideration is deemed denied if no action is taken within twenty (20) days of filing. A new fifteen (15) day period for the filing of an appeal to the agency (as set forth in paragraph (1) above) starts to run from the entry date of an order disposing of a petition for reconsideration, or from the twentieth day after filing of the petition, if no order is issued. See T.C.A. §4-5-317 on petitions for reconsideration.

A party may petition the agency for a stay of the Initial Order within seven (7) days after the entry date of the order. See T.C.A. §4-5-316.

Review of Final Order

Within fifteen (15) days after the Initial Order becomes a Final Order, a party may file a petition for reconsideration of the Final Order, in which petitioner shall state the specific reasons why the Initial Order was in error. If no action is taken within twenty (20) days of filing of the petition, it is deemed denied. See T.C.A. §4-5-317 on petitions for reconsideration.

A party may petition the agency for a stay of the Final Order within seven (7) days after the entry date of the order. See T.C.A. §4-5-316.

YOU WILL NOT RECEIVE FURTHER NOTICE OF THE INITIAL ORDER BECOMING A FINAL ORDER

A person who is aggrieved by a final decision in a contested case may seek judicial review of the Final Order by filing a petition for review in a Chancery Court having jurisdiction (generally, Davidson County Chancery Court) within sixty (60) days after the entry date of a Final Order or, if a petition for reconsideration is granted, within sixty (60) days of the entry date of the Final Order disposing of the petition. (However, the filing of a petition for reconsideration does not itself act to extend the sixty day period, if the petition is not granted.) A reviewing court also may order a stay of the Final Order upon appropriate terms. See T.C.A. §4-5-322 and §4-5-317.