STATE OF TENNESSEE
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

IN THE MATTER OF:	)	
	)	
DAVID M. HAUSER	)	**TID Order No. 15-003**
	)	
	)	

CONSENT ORDER

The Insurance Division, of the Tennessee Department of Commerce and Insurance ("Division"), by and through counsel, and David M. Hauser ("Hauser") hereby stipulate and agree, subject to the approval of the Commissioner of the Tennessee 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 the Commissioner.

2. This Consent Order is executed by Hauser 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.

3. Hauser fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner for acts and/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.

4. Hauser fully understands that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for violations of Title 56 of the Tennessee Code Annotated addressed specifically in this Consent Order, against Hauser for violations of law under statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which arise as a result of the execution of this Consent Order by Hauser.

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

AUTHORITY AND JURISDICTION

6. The Commissioner has jurisdiction over this matter pursuant to the Tennessee Insurance Law ("Law"), Title 56 of the Tennessee Code Annotated, specifically Tenn. Code Ann. §§ 56-1-101, 56-1-202, 56-2-305 and 56-6-112. The Law places on the Commissioner the responsibility of the administration of its provisions.

PARTIES

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. Hauser is a citizen and resident of the State of Tennessee. Hauser's address of record on file with the Division is 6768 Tangleberry Lane, Memphis, Tennessee 38119. Hauser obtained his resident insurance producer license number 0314198, on or about July 1, 1976. Hauser's insurance producer license is set to expire on August 31, 2015, and it is currently in active status.

FINDINGS OF FACT

9. On or about January 10, 2005, a judgment was executed against Hauser for a fourth Driving Under the Influence ("DUI") charge and Driving While Habitual Motor Vehicle Offender, a felony offense, in the Criminal Court of Shelby County, Tennessee.

10. On or about January 23, 2007, Hauser was convicted of another felony for another DUI and two (2) counts of Aggravated Assault also in the Criminal Court of Shelby County, Tennessee.

11. On September 1, 2009, and on July 29, 2013, Hauser submitted renewal applications with the Division.

12. On September 1, 2009, Hauser answered, "No," to the renewal application question, "Have you been convicted of; or are you currently charged with committing a crime since your last renewal? 'Crime' includes a misdemeanor, felony or a military offense. 'Convicted' includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, or having been given probation, a suspended

sentence or a fine. IF YES, you must submit the following:(a) a written statement explaining the circumstances; (b) a copy of the charging document; (c) a copy of the judgment; to the Agent Licensing Section."

13. On July 29, 2013, Hauser answered, "No," to the renewal application question, "Have you been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime, which has not been previously reported to this insurance department[.]"

14. Subsequent to the convictions and renewing his resident insurance license, Hauser applied for appointment with Assurant Insurance ("Assurant").

15. Assurant discovered Hauser's convictions; and on or about August 15, 2014, Assurant informed the Division of Hauser's felony convictions.

16. On or about August 19, 2014, Hauser also contacted the Division to disclose his felony convictions.

CONCLUSIONS OF LAW

17. 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 and/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:

(1) Providing incorrect, misleading, incomplete or materially untrue information in the license application;

(2) Violating any law, rule, regulation, subpoena or order of the commissioner or of another state's commissioner;

(3) Obtaining or attempting to obtain a license through misrepresentation or

fraud;

....

(6) Having been convicted of a felony[.]

....

18. Tenn. Code Ann. § 56-6-119(b) states that within thirty (30) days of the initial pretrial hearing date, a producer shall report to the Commissioner any criminal prosecution of the producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents.

19. Based upon the Findings of Fact stated above and the Conclusions of Law contained herein, the Commissioner considers the actions of Hauser to be in violation of Tenn. Code Ann. §§ 56-6-112(a)(1), (2), (3) and (6), and § 56-6-119(b) for being convicted of felonies while licensed as a Tennessee insurance producer, providing incorrect and materially untrue information on the license application, attempting to obtain a license through misrepresentation or fraud, and violating the law of the Commissioner and failing to report criminal actions against him within the statutory timeframe. Such facts provide grounds for the probation of Hauser's insurance producer license, number 0314198, and the imposition of a Two Thousand Dollar ($2,000) civil penalty for violation in accordance with Tenn. Code Ann. §§ 56-6-112(a) and (g).

20. In order to avoid any further expenses or costs associated with litigating this matter in any administrative or judicial proceedings, Hauser hereby acknowledges the Commissioner's authority to administer the statutes cited herein, concedes that the Commissioner's interpretation of the statutes cited in the Conclusions of Law are reasonable and enforceable, and agrees to the entry of this Consent Order including each of the sanctions ordered by the Commissioner.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Hauser's waiver of the right to a hearing and appeal under the Law and the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 to 4-5-404 (2011), and Hauser's admission of jurisdiction of the Commissioner, the Commissioner finds that Hauser, for the purpose of settling this matter admits to the Conclusions of Law, agrees to the entry of this Order and agrees that this Order is in the public interest, necessary for the protection of consumers and consistent with the purposes fairly intended by the policy and provisions of the Law.

IT IS ORDERED, pursuant to Tenn. Code Ann. §§ 56-6-112(a) and (g), that:

1. Insurance Producer License, number 0314198, issued to Hauser, is hereby placed on **PROBATION** for a period of two (2) years, beginning immediately upon final execution of this agreement.

2. As a condition of probation, Hauser agrees to comply with all applicable Insurance laws. Any violations committed by Hauser 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.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 56-6-112(g), that Hauser:

1. Pay **CIVIL PENALTIES** in the amount of Two Thousand Dollars ($2,000) within eighteen (18) months of the final execution of this Order. Payment shall be mailed to:

State of Tennessee
Department of Commerce and Insurance
Legal Office, Attn: Stephanie Crenshaw
Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243

2. In addition, it is further **ORDERED** that all persons in any way assisting, aiding, or helping Hauser in any of the aforementioned violations of Tenn. Code Ann. §§ 56-6-112 and 56-6-119 shall **CEASE AND DESIST** from all such activities in violation of the Law.

IT IS ORDERED that this Consent Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against Hauser for violations of Tenn. Code Ann. §§ 56-6-112 and 56-6-119 alleged by the Division to have occurred with respect to the transactions involving the facts contained herein.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties, and is for settlement purposes only. By the signatures affixed below, Hauser affirmatively states he has freely agreed to the entry of this Consent Order, that he waives the right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made to him by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of the settlement as set forth in this Consent Order, are binding upon them.

ENTERED this 1st day of June, 2015.

Julie Mix McPeak

Julie Mix McPeak, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

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