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

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| TENNESSEE INSURANCE DIVISION,<br>Petitioner, | ) | |
| vs. | ) | 09-020 |
| JOHN THOMAS CAUSEY,<br>Respondent. | ) | |

## CONSENT ORDER

The Insurance Division of the State of Tennessee Department of Commerce and Insurance (the "Division"), by and through counsel, and John Thomas Causey ("Respondent") hereby stipulate and agree, subject to the approval of the Commissioner of Commerce and Insurance (the "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. The Commissioner has determined that the resolution set forth in this Consent Order is fair and reasonable and in the best public interest.

3. This Consent Order is executed by Respondent 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. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against Respondent for acts and/or omissions not specifically addressed in this Consent Order or for acts and/or omissions that do not arise from the facts or transactions herein addressed. Respondent also understands that this Consent Order may be used by the Commissioner or any Commissioner, Department or Board to revoke or refuse to issue any license Respondent currently holds or for which he applies in the future.

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

## FINDINGS OF FACT

6. The Commissioner has jurisdiction pursuant to the Tennessee Insurance Law (the "Law"), Title 56 of the 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 is a citizen and resident of the State of Tennessee, residing at 110 Highland Villa Drive, Nashville, Tennessee 37211.

9. Respondent has an insurance producer license, numbered 734635, which was issued in 1993.

10. On November 16, 1988, Respondent pleaded guilty to one (1) count of false pretense (passing a worthless check) in the Circuit Court of Lee County Mississippi. Respondent received a three (3) year suspended sentence and was placed on supervised probation for three (3) years. Respondent was also ordered to pay restitution in the amount of two thousand three hundred eleven

dollars and seventy-four cents ($2,311.74) to his victims.

11. On January 7, 1993, Respondent submitted to the Insurance Division a non-resident insurance agent application. Respondent falsely indicated on his application that he had never been convicted of any misdemeanors or felonies. The Insurance Division would not have issued an insurance producer license to Respondent had he disclosed on his application that he had been convicted of false pretense.

12. On December 5, 1994, Respondent submitted to the Insurance Division a resident insurance agent application. Respondent falsely indicated on his application that he had never been convicted of any misdemeanors or felonies. The Insurance Division would not have issued an insurance producer license to Respondent had he disclosed on his application that he had been convicted of false pretense.

13. On July 9, 1998, Respondent submitted to the Insurance Division a non-resident insurance agent application. Respondent falsely indicated on his application that he had never been convicted of any misdemeanors or felonies. The Insurance Division would not have issued an insurance producer license to Respondent had he disclosed on his application that he had been convicted of false pretense.

14. On February 19, 2002, Respondent submitted to the Insurance Division a non-resident insurance agent application. Respondent falsely indicated on his application that he had never been convicted of any misdemeanors or felonies. The Insurance Division would not have issued an insurance producer license to Respondent had he disclosed on his application that he had been convicted of false pretense.

~~15. On January 31, 2005, Respondent submitted to the Insurance Division a non-resident insurance agent application. Respondent falsely indicated on his application that he had never been~~ convicted of any misdemeanors or felonies. The Insurance Division would not have issued an

insurance producer license to Respondent had he disclosed on his application that he had been convicted of false pretense.

16. On March 20, 2006, Respondent submitted to the Insurance Division a non-resident insurance agent renewal application. Respondent falsely indicated on his application that he had never been convicted of any misdemeanors or felonies. The Insurance Division would not have renewed Respondent's insurance producer license had he disclosed on his application that he had been convicted of false pretense.

17. On April 19, 2007, Respondent filed with the Insurance Division an on-line non-resident insurance agent renewal application. Respondent falsely indicated on his on-line application that he had never been convicted of any misdemeanors or felonies. The Insurance Division would not have renewed Respondent's insurance producer license had he disclosed on his application that he had been convicted of false pretense.

18. Based on Respondent's failure to disclose to the Insurance Division in his resident and non-resident insurance agent applications—and subsequent renewal applications—that he had been convicted of false pretense, a felony, in 1988, he was issued both resident and non-resident insurance producer licenses—including renewal licenses—periodically since 1993.

19. On December 8, 2008, Respondent pleaded guilty to one (1) count of theft over one thousand dollars ($1,000) and one (1) count of theft over ten thousand dollars ($10,000) in the Criminal Court of Williamson County, Tennessee. Respondent received a three (3) year suspended sentence for theft over one thousand dollars ($1,000) and a five (5) year suspended sentence for theft over ten thousand dollars ($10,000). Both sentences were ordered to be served concurrently with one another, and Respondent was placed on supervised probation for five (5) years after serving one (1) day of incarceration. Respondent was also sentenced to pay restitution to two (2) victims, one of which is a Franklin, Tennessee resident.

## CONCLUSIONS OF LAW

20. TENN. CODE ANN. § 56-6-112(a)(1) (Supp. 2007) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew a license for anyone who provides incorrect, misleading, incomplete or materially untrue information in the license application.

21. TENN. CODE ANN. § 56-6-112(a)(3) (Supp. 2007) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew a license for anyone who obtains or attempts to obtain a license through misrepresentation or fraud.

22. TENN. CODE ANN. § 56-6-112(a)(6) (2008) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew a license for anyone convicted of a felony.

23. TENN. CODE ANN. § 56-6-155(a)(1) (2000) provides that the Commissioner may suspend, revoke or refuse to issue or renew a license for anyone who makes any materially untrue statement in the license application.

24. TENN. CODE ANN. § 56-6-155(a)(2) (2000) provides that the Commissioner may suspend, revoke or refuse to issue or renew a license for anyone who obtains or attempts to obtain a license through misrepresentation or fraud.

25. Such facts constitute grounds for an Order revoking Respondent's insurance producer license in accordance with TENN. CODE ANN. §§ 56-6-155(a)(1) and (2) (2000), 56-6-112(a)(1) and (3) (Supp. 2007) and 56-6-112(a)(6) (2008). Such facts also constitute grounds for an Order assessing civil penalties against Respondent in accordance with TENN. CODE ANN. § 56-6-155(b) (2000) and TENN. CODE ANN. § 56-2-305 (2008). Respondent concedes that the Conclusions of Law contained herein are fair and reasonable as outlined above. The Respondent enters into this Consent Order for the sole purpose of avoiding further administrative action with respect to this cause.

## ORDER

**NOW, THEREFORE**, based on the foregoing and the waiver of Respondent of his rights 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 Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has agreed to the entry of this Consent Order and that this Consent Order is appropriate and in the public interest.

**IT IS ORDERED**, pursuant to TENN. CODE ANN. §§ 56-6-112(a) (Supp. 2007), 56-6-112(a) (2008) and 56-6-155(a) (2000) that:

The insurance producer license, numbered 734635, issued to John Thomas Causey, is hereby **REVOKED**.

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 signature affixed below, John Thomas Causey, affirmatively states that he has freely agreed to the entry of this Consent Order, that he has been advised that he may consult with legal counsel in this matter, and has had the opportunity to consult with legal counsel, that he waives his right to a hearing on the matters underlying this Consent Order and that no threats or promises of any kind have been made by the Commissioner, the Division or any agent 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 settlement set forth in this Consent Order, are binding upon them.

**SO ORDERED.**

**ENTERED** this the 25th day of September, 2009.

Leslie A. Newman

Leslie A. Newman, Commissioner
Department of Commerce and Insurance