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

TENNESSEE INSURANCE DIVISION,	)	
Petitioner,	)	
	)	
vs.	)	**APD No.: 12.01-124097J**
	)	**TID No.: 13-112**
RONALD LEON PEABODY,	)	
Respondent	)	
	)	

CONSENT ORDER

The Tennessee Insurance Division of the Department of Commerce and Insurance ("Division") and Ronald Leon Peabody ("Respondent") hereby stipulate and agree to the entry of this Consent Order 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 an order by the Commissioner.

2. This Consent Order is executed by the 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.

3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against Respondent 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.

4. Respondent fully understands that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner for violations of the Law addressed specifically in this Consent Order, against the Respondent for violations of the 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 may arise as a result of the execution of this consent Order by the Respondent.

5. Respondent expressly waives all further procedural steps and all rights to seek judicial review 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.

6. Respondent fully understands that this Consent Order, when entered, will constitute a public document for purposes of any applicable statutes governing access by the public to government records.

7. Respondent agrees that facsimiles of his respective signature on this Consent Order—scanned in portable document format (PDF) or similar format—returned by electronic means, if accepted by the Division, are effective as original signatures and that the Consent Order may be issued with such facsimile signatures.

AUTHORITY AND JURISDICTION

8. The Commissioner has jurisdiction over this matter pursuant to the Tennessee Insurance Law ("Law"), Title 56 of the Tennessee Code Annotated ("Tenn. Code Ann"),

specifically, Tenn. Code Ann. §§ 56-1-101, 56-1-202, and § 56-6-112. The Law places on the Commissioner the responsibility of the administration of its provisions.

PARTIES

9. 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.

10. Respondent is a citizen and resident of Knoxville, Tennessee with a current address of record at 7721 Luxmore Drive, Knoxville, TN 37919-6808.

FINDINGS OF FACT

11. Respondent is a licensee of the Division who has, at all times relevant hereto, been responsible for compliance with the insurance laws, rules and regulations of the State of Tennessee. At all times relevant hereto, Respondent maintained Insurance Producer license number 0964846 which expired on or about February 28, 2013.

12. At all relevant times, Respondent was doing insurance business as Peabody and Associates, a business located in Knoxville, TN.

13. On or about May 2, 2012, Ms. Angela Rouse engaged the services of Respondent.

14. Ms. Rouse, through her mortgage company, Wells Fargo, paid for a homeowner's insurance policy with Lexington Insurance Company and Risk Specialists Companies Insurance Agency, which became effective on May 2, 2012.

15. On or about May 31, 2012, Wells Fargo issued a check from Ms. Rouse's escrow account in the approximate amount of one thousand six hundred thirty dollars and sixty-five cents ($1,630.65)

16. The check mentioned in paragraph 15 of this Consent Order was paid to the order of Respondent, Independent Ins. Agency, 7721 Luxmore Drive Knoxville, TN 37919.

17. The purpose of the check mentioned in paragraphs 15 and 16 of this Consent Order was to pay for Ms. Rouse's premium with Lexington Insurance Company and Risk Specialists Companies Insurance Agency.

18. Respondent had a duty to ensure that the check for one thousand six hundred thirty dollars and sixty-five cents ($1,630.65) was remitted to Lexington Insurance Company.

19. Respondent failed to ensure that the check for one thousand six hundred thirty dollars and sixty-five cents ($1,630.65) was remitted to Lexington Insurance Company.

20. Respondent promised to pay Ms. Rouse her money back but failed to do so.

21. Respondent's failure to remit Ms. Rouse's escrow account check from Wells Fargo for one thousand six hundred thirty dollars and sixty-five cents ($1,630.65) to Lexington Insurance Company proximately caused Ms. Rouse to pay more money for homeowners insurance coverage.

CONCLUSIONS OF LAW

22. At all times relevant hereto, Tenn. Code Ann. § 56-6-112(a) (2011) provided that, in pertinent part, "[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:

> . . .
>
> (4) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;
>
> . . .

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this state or elsewhere;"

23. At all times relevant hereto, Tenn. Code Ann. § 56-6-112(e) (2011) provided that:

The commissioner shall retain the authority to enforce this part and impose any penalty or remedy authorized by this part and this title against any person who is under investigation for or charged with a violation of this part or this title, even if the person's license has been surrendered or has lapsed by operation of law.

24. At all times relevant hereto, Tenn. Code Ann. § 56-6-112(g) (2011) provided that:

If, after providing notice consistent with the process established by § 4-5-320(c), and providing the opportunity for a contested case hearing held in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, the commissioner finds that any person required to be licensed, permitted, or authorized by the division of insurance pursuant to this chapter has violated any statute, rule or order, the commissioner may, at the commissioner's discretion, order:

(1) The person to cease and desist from engaging in the act or practice giving rise to the violation;

(2) Payment of a monetary penalty of not more than one thousand dollars ($1,000) for each violation, but not to exceed an aggregate penalty of one hundred thousand dollars ($100,000). This subdivision (g)(2) shall not apply where a statute or rule specifically provides for other civil penalties for the violation. For purposes of this subdivision (g)(2), each day of continued violation shall constitute a separate violation; and

(3) The suspension or revocation of the person's license.

25. Respondent:

(1) Improperly withheld, misappropriated or converted moneys received in the course of doing insurance business; [and]

(2) Used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this state or elsewhere[.]

26. As enumerated in the Findings of Fact above and the Conclusions of Law contained herein, Respondent violated Tenn. Code Ann. §§ 56-6-112(a)(4) and (a)(8).

27. The Findings of Fact contained herein constitute grounds for a Consent Order revoking Respondent's insurance producer license in accordance with Tenn. Code Ann. §§ 56-6-112(g)(3). Such facts also provide grounds for an order imposing civil penalties against Respondent in an amount not more than one thousand dollars ($1,000) for each separate violation committed after July 1, 2011 in accordance with Tenn. Code Ann. § 56-6-112(g).

ORDER

NOW, THEREFORE, based on the foregoing and Respondent's waiver of his rights to a hearing and appeal under the Law and Tennessee's Uniform Administrative Procedures Act ("UAPA"), Tenn. Code Ann. §§ 4-5-101 *et. seq.*, and the admission by Respondent of the jurisdiction of the Commissioner, the Commissioner finds that Respondent, for the purpose of settling this matter, admits the Findings of Fact and Conclusions of Law and has agreed to the entry of this Consent Order, and that this Consent Order is appropriate, in the best interest of the public, and necessary for the protection of the public.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 56-6-112 (2011) that:

1. The Insurance Producer license, numbered 0964846, issued to Respondent, Ronald Leon Peabody, is hereby **REVOKED**, beginning immediately upon final execution of this agreed Consent Order; and

2. Respondent shall not, while without a license, conduct further business for which an insurance license is required under the Law;

3. **IT IS FURTHERED ORDERED** that all persons in any way assisting, aiding, or helping Ronald Leon Peabody, Jr. in any of the aforementioned violations of Tenn. Code Ann. § 56-6-112, shall **CEASE AND DESIST** from all such activities in violation of the Law.

4. **IT IS FURTHER ORDERED** that Respondent will pay one thousand six hundred thirty dollars and eighty cents ($1,630.80) in **RESTITUTION** to Ms. Angela Rouse in eighteen (18) separate payments as follows:

Payment 1:	**February 28, 2014,**	**$90.60;**
Payment 2:	**March 31, 2014,**	**$90.60;**
Payment 3:	**April 30, 2014,**	**$90.60;**
Payment 4:	**May 30, 2014,**	**$90.60;**
Payment 5:	**June 30, 2014,**	**$90.60;**
Payment 6:	**July 30, 2014,**	**$90.60;**
Payment 7:	**August 30, 2014,**	**$90.60;**
Payment 8:	**September 30, 2014,**	**$90.60;**
Payment 9:	**October 30, 2014,**	**$90.60;**
Payment 10:	**November 30, 2014,**	**$90.60;**
Payment 11:	**December 30, 2014,**	**$90.60;**
Payment 12:	**January 30, 2015,**	**$90.60;**
Payment 13:	**February 30, 2015,**	**$90.60;**
Payment 14:	**March 30, 2015,**	**$90.60;**
Payment 15:	**April 30, 2015,**	**$90.60;**
Payment 16:	**May 30. 2015,**	**$90.60;**
Payment 17:	**June 30, 2015,**	**$90.60; and**
Payment 18:	**July 30, 2015,**	**$90.60;**

5. Any failure to timely make a payment under the terms of this agreed Consent Order may result in additional disciplinary action being taken against Respondent including, but not necessarily limited to, revocation, suspension, or probation of the above-mentioned insurance producer license and/or the assessment of additional civil penalties. Failure to timely make any payment shall render all remaining payments under this Consent Order immediately due and collectible. Respondent may make any additional payments before the above-mentioned due dates. If any additional payment is received by Ms. Angela Rouse in excess of the above mentioned amount(s) and scheduled payment date(s), such payment shall be considered payment for any subsequent scheduled payment date(s).

6. A payment shall be considered timely made if it was **received** by Ms. Angela Rouse within seven (7) calendar days of the date such payment is due. All payments shall include a copy of the first page of this Order and shall be made out to "Angela Rouse." All payments shall be mailed to the following address:

Ms. Angela Rouse
420 Shelbyville Road
Knoxville, TN 37992

IT IS ORDERED that 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 Respondent for violations of the Law arising out of the Findings of Fact set forth in Paragraphs 11 through 24 above. However, this Consent Order shall in no way preclude a third party or other authority from pursuing civil remedies or criminal action against Respondent which may otherwise be available.

This Consent Order is in the public interest and in the best interest of the parties, represents a compromise and settlement of the controversy between the parties, and is for settlement purposes only. By signature affixed below, Respondent, Ronald Leon Peabody, states

that he has: (1) freely agreed to the entry of this Consent Order; (2) had the opportunity to effectively consult with legal counsel in this matter; (3) reviewed the Findings of Fact and Conclusions of Law contained herein; and (4) waived his right to a hearing on the matters underlying this Consent Order. Respondent further states 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 the settlement set forth in this Consent Order, are binding upon them.

IT IS SO ORDERED.

ENTERED this the 5th day of March, 2014.

Julie Mix McPeak

Julie Mix McPeak, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

Ronald L Peabody - 2/4/14

Ronald Leon Peabody
7721 Luxmore Drive
Knoxville, TN 37919

Chlora Lindley-Myers

Chlora Lindley-Myers
Deputy Commissioner
Department of Commerce and Insurance
Davy Crockett Tower
500 James Robertson Parkway, 12th Floor
Nashville, Tennessee 37243

Respectfully Submitted,

Nancy S. Jones,
Deputy Commissioner and General Counsel

By: James R. Witham

James R. Witham (BPR# 30468)
Assistant General Counsel
Department of Commerce and Insurance
Davy Crockett Tower
500 James Robertson Parkway, 8th Floor
Phone: (615) 253-7848
Fax: (615) 741-4000
james.witham@tn.gov