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

TENNESSEE INSURANCE DIVISION,)
Petitioner,)
vs.)
TINA WOODS BUTLER,)
Respondent.)

No: 08-154

CONSENT ORDER

The Insurance Division of the State of Tennessee Department of Commerce and Insurance (the "Division"), by and through counsel, and Tina Woods Butler ("Respondent"), also by and through counsel, 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 she 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 436 Bunn Road, Dyersburg, Tennessee 38024.

9. Respondent has an insurance producer license, numbered 721428, which was issued in 1991.

10. Between 2001 and 2003, Respondent submitted premium financing applications on behalf of Stewart Trucking, Majestic 1 Transport and Barmore & Sons Trucking to Amgro, Inc., a premium financing company. In all three instances, Amgro, Inc. advanced Respondent the full cost of the insurance policies, minus her clients' down payments. Based on her contractual agreement

with Amgro, Inc., Respondent was required to forward the full cost of the insurance policies directly to her clients' insurance companies. Her clients were then required to make installment payments directly to Amgro, Inc. Respondent, however, failed to forward any of the advanced premiums to her clients' insurance companies, instead converting the insurance premiums to her personal use. As a result, Respondent's clients' insurance coverage was either canceled for non-payment of premiums or never placed into effect. Currently, Respondent owes Amgro, Inc. forty-eight thousand two hundred thirty-six dollars and fifty-two cents (\$48,236.52), the amount in premiums advanced Respondent but never forwarded to her clients' insurance companies.

11. On December 4, 2001, Steven Dean, Dean Truck Lines, Inc., filed a complaint with the Department of Commerce and Insurance against Respondent for failing to forward his business insurance premium payments to his insurance company. On July 11 and 20, 2001, Mr. Dean made two (2) insurance premium payments each in the amount of two thousand three hundred thirty-three dollars and ninety-three cents (\$2,333.93) directly to Respondent. On July 27, 2001, Mr. Dean made one (1) insurance premium payment in the amount of two thousand three hundred thirty-three dollars and ninety-two cents (\$2,333.92) directly to Respondent. Respondent, however, failed to forward any of Mr. Dean's insurance premium payments to his insurance company, instead converting the insurance premiums to her personal use. Mr. Dean subsequently made duplicate insurance premium payments directly to his insurance company to prevent his insurance from being canceled. He was subsequently awarded approximately three thousand dollars (\$3,000) in a civil judgment levied against Respondent.

12. On June 6, 2006, Carol Johnson, owner of Carol's Family Diner, filed a complaint with the Department of Commerce and Insurance against Respondent for failing to bind insurance coverage for her restaurant. On June 14, 2005, Ms. Johnson paid Respondent nine hundred thirty-one dollars and fifty cents (\$931.50) for business insurance. Ms. Johnson received a cash receipt for her

insurance premium down payment to Respondent. On September 15, 2005, Ms. Johnson received a cancellation notice from Century Surety Company due to nonpayment of insurance premiums. Ms. Johnson was notified by Century Surety Company that it never received her insurance premium down payment from Respondent.

13. On July 14, 2006, Larry Skelton, Department of Labor investigator, sought to determine whether R & R Roofing in Dyersburg, Tennessee had statutorily required workers' compensation insurance coverage. Upon Mr. Skelton's request, R & R Roofing provided him a copy of its certificate of insurance ostensibly evincing coverage effective May 28, 2006 that was purchased through Respondent. R & R Roofing was not, however, able to provide him a copy of its insurance policy because the policy had yet to be provided by the insurance company. Mr. Skelton subsequently verified with Mary Corbin, Tennessee Workers' Compensation Insurance Plan ("TWCIP"), that an application for workers' compensation insurance coverage was never filed by Respondent on behalf of R & R Roofing. On July 17, 2006, Mr. Skelton requested from Respondent proof that R & R Roofing had workers' compensation insurance. Respondent informed Mr. Skelton that she had yet to receive R & R Roofing's insurance policy from the insurance company although its workers' compensation insurance presumably had been in effect for nearly two (2) months. She did, however, provide Mr. Skelton a copy of R & R Roofing's application and cash payment receipt in the amount of seven hundred fifty dollars (\$750), dated May 12, 2006. On July 21, 2006, within days of Mr. Skelton's meeting with Respondent, Ms. Corbin of TWCIP informed Mr. Skelton that she just received by mail R & R Roofing's application for workers' compensation insurance coverage from Respondent. On the application, Respondent requested a backdated effective coverage date of May 28, 2006. The request, however, was denied because backdated coverage requests are honored only to the mailing date of the application.

14. Mr. Skelton also confirmed that Respondent possibly filed fraudulent workers' compensation certificates of insurance for Prestridge Construction and S & J Siding with the Dyersburg City Hall. The certificate of insurance filed by Respondent with the Dyersburg City Hall on behalf of Prestridge Construction ostensibly evinced effective coverage from December 13, 2005 to December 13, 2006; however, Mr. Skelton was unable to verify through a comprehensive workers' compensation database that Prestridge Construction ever had workers' compensation insurance.

15. The certificate of insurance filed by Respondent with the Dyersburg City Hall on behalf of S & J Siding ostensibly evinced coverage from February 2004 through February 2005; however, Mr. Skelton could only verify through a comprehensive workers' compensation database that S & J Siding had workers' compensation insurance up to August 29, 2003 and not again until June 27, 2006.

CONCLUSIONS OF LAW

16. TENN. CODE ANN. § 56-6-112(a)(4) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew a license for anyone improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business.

17. TENN. CODE ANN. § 56-6-112(a)(8) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew a license for anyone using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

18. Based upon the Findings of Facts cited above, the Commissioner finds that Respondent improperly withheld, misappropriated or converted moneys received in the course of doing insurance business and used fraudulent, coercive or dishonest practices or demonstrated

incompetence, untrustworthiness or financial irresponsibility in the conduct of business based on Respondent's professional relationships with Amgro, Inc., Majestic 1 Transport, Barmore & Sons Trucking, Dean Truck Lines, Inc., Carol's Family Diner, R & R Roofing, Prestridge Construction and S & J Siding. Such facts constitute grounds for an Order revoking Respondent's insurance producer license based on violations of TENN. CODE ANN. § 56-6-112(a)(4) and (8).

19. Respondent neither admits nor denies the Findings of Fact outlined above. Respondent, however, does concede that the Conclusions of Law contained herein are fair and reasonable if the Respondent did act in the manner 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 her 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) that:

The insurance producer license, numbered 721428, issued to Tina Woods Butler, 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, Tina Woods Butler, affirmatively states that she has freely agreed to the entry of this Consent Order, that she has been advised that she may consult with legal counsel in this matter, and has had the opportunity to consult with legal counsel, that she

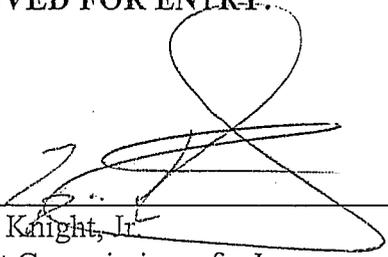
waives her right to a hearing on the matters underlying this Consent Order and that no threats or promises of any kind have been made by the Commissioner, the Division or any agent thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this 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 16th day of April, 2009.

Leslie A. Newman
Leslie A. Newman, Commissioner
Department of Commerce and Insurance

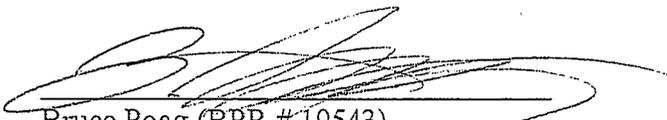
APPROVED FOR ENTRY:



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