



producer license should be **REVOKED** and the Respondent is ordered to pay Twenty-Seven Thousand Dollars (\$27,000) in civil penalties. This decision is based upon the following findings of fact and conclusions of law.

### FINDINGS OF FACT

1. The Respondent is a citizen of Tennessee and a resident of Memphis, with her mailing address being 2811 Sonora, Memphis, Tennessee 38115. At all times relevant to the events herein, Respondent was licensed by the Division to sell insurance in this state as an insurance producer, license number 875419. However, Respondent's insurance license expired on October 3, 2006, and, pursuant to Tenn. Code Ann. § 56-6-107(d), Respondent has a property interest in and may reinstate her license within twelve (12) months after the date of expiration, until October 3, 2007.
2. The Respondent worked as an insurance agent for Monumental Insurance Company, 3943 Summer Avenue, Memphis, TN 38122 (hereinafter referred to as "Monumental") at all times relevant to the events herein.
3. On or about May 6, 2006, Respondent collected Fifty-Nine Dollars and thirty-five cents (\$59.35) from Barbara Pope (hereinafter referred to as "Pope"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental Life Insurance Company (hereinafter referred to as "Monumental"). This money was never remitted to Monumental by Respondent, nor was it returned to Pope.
4. On or about May 11, 2006, Respondent collected Nineteen Dollars and thirty-three cents (\$19.33) from Bill Matthews (hereinafter referred to as "Matthews"), a citizen and resident of Memphis, Tennessee, for a premium payment on his insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Matthews.
5. On or about June 8, 2006, Respondent collected One Hundred Dollars (\$100.00) from Annette Chapman (hereinafter referred to as "Chapman"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was

never remitted to Monumental by Respondent, nor was it returned to Chapman.

6. On or about May 1, 2006, Respondent collected Twenty-One Dollars and ninety-three cents (\$21.93) from James Parker (hereinafter referred to as "Parker"), a citizen and resident of Memphis, Tennessee, for a premium payment on his insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Parker.

7. On or about May 15, 2006, Respondent collected Eighty-One Dollars and fifty cents (\$81.50) from Carolyn Steward (hereinafter referred to as "Stewart"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Stewart.

8. On or about May 15, 2006, Respondent collected Nine Dollars and sixty cents (\$9.60) from Stewart for a premium payment on Kendarious Stewart's insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Stewart.

9. On or about April 28, 2006, Respondent collected Forty-Two Dollars and ninety-five cents (\$42.95) from Rosie Bonds (hereinafter referred to as "R. Bonds"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to R. Bonds.

10. On or about May 1, 2006, Respondent collected Ten Dollars and ninety cents (\$10.90) from Mary Butler (hereinafter referred to as "Butler"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Butler.

11. On or about May 11, 2005, Respondent collected Twenty-Seven Dollars and forty-eight cents (\$27.48) from Ward, a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Ward.

12. On or about September 13, 2005, Respondent collected Twenty-Seven Dollars and forty-

eight cents (\$27.48) from Myrtle Ward (hereinafter referred to as "Ward"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Ward.

13. On or about December 5, 2005, Respondent collected Twenty-Seven Dollars and forty-eight cents (\$27.48) from Ward, a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Ward.

14. On or about May 6, 2006, Respondent collected Fifty-Four Dollars and nineteen cents (\$54.19) from Estella Nelson (hereinafter referred to as "Nelson"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Nelson.

15. On or about May 6, 2006, Respondent collected Forty-Six Dollars and forty-six cents (\$46.46) from Bernice Kirk (hereinafter referred to as "Kirk"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Kirk.

16. On or about May 12, 2006, Respondent collected Fifty Dollars and twenty-seven cents (\$50.27) from Emma Bonds (hereinafter referred to as "E. Bonds"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to E. Bonds.

17. On or about May 11, 2006, Respondent collected Fifty-Six Dollars and twenty-seven cents (\$56.27) from Willie Manning (hereinafter referred to as "Manning"), a citizen and resident of Memphis, Tennessee, for a premium payment on his insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Manning.

18. On or about May 11, 2006, Respondent collected Nine Dollars and nine cents (\$9.09) from Manning for a premium payment on his insurance policy with Monumental. This money

was never remitted to Monumental by Respondent, nor was it returned to Manning.

19. On or about May 17, 2006, Respondent collected Forty-Nine Dollars and forty-five cents (\$49.45) from Barbara Scales (hereinafter referred to as "Scales"), a citizen and resident of Memphis, Tennessee, for a premium payment on Anthony Halmon's insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Scales.

20. On or about May 17, 2006, Respondent collected Sixteen Dollars and fifty-five cents (\$16.55) from Scales for a premium payment on Daniel Rodgers' insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Scales.

21. On or about May 17, 2006, Respondent collected Thirty Dollars and forty-five cents (\$30.45) from Scales for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Scales.

22. On or about May 14, 2006, Respondent collected Ninety-Four Dollars and eight cents (\$94.08) from Willie Alexander (hereinafter referred to as "Alexander"), a citizen and resident of Memphis, Tennessee, for a premium payment on his insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Alexander.

23. On or about May 5, 2006, Respondent collected One Hundred Forty-Five Dollars and six cents (\$145.06) from Francia McKinney (hereinafter referred to as "McKinney"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to McKinney.

24. On or about May 5, 2006, Respondent collected Fifty-Four Dollars and forty-eight cents (\$54.48) from Willie Moore (hereinafter referred to as "Moore"), a citizen and resident of Memphis, Tennessee, for a premium payment on his insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Moore.

25. On or about May 15, 2006, Respondent collected Eighty-Three Dollars and seventy-eight cents (\$83.78) from Myrtle Bridges (hereinafter referred to as "Bridges"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Bridges.

26. On or about May 5, 2006, Respondent collected One Hundred Twelve Dollars (\$112.00) from Jeanette Becton (hereinafter referred to as "Becton"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Becton.

27. On or about May 12, 2006, Respondent collected Forty-Seven Dollars and seventy-five cents (\$47.75) from Erma Shaw (hereinafter referred to as "Shaw"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Shaw.

28. On or about April 4, 2006, Respondent collected Seventy-Nine Dollars and sixty cents (\$79.60) from Verna Conley (hereinafter referred to as "Conley"), a citizen and resident of Memphis, Tennessee, for a premium payment on her insurance policy with Monumental. This money was never remitted to Monumental by Respondent, nor was it returned to Conley.

29. On or about May 22, 2006, Respondent reported a deposit that was to be made to SunTrust Bank in the amount of One Hundred Five Dollars and forty cents (\$105.40) comprised of two (2) payments collected from Rickie Zambroni (hereinafter referred to as "Zambroni") and one payment collected from Barry Williams (hereinafter referred to as "Williams"). On or about May 20, 2006, Respondent collected two (2) checks from Zambroni in the amounts of Thirty-Four Dollars and ninety cents (\$34.90) and Twenty-Four Dollars and forty cents (\$24.40) for a total of Fifty-Nine Dollars and thirty cents (\$59.30). On or about May 18, 2006, Respondent collected cash from Williams in the amount of Forty-Six Dollars and ten cents (\$46.10). Respondent neither deposited these collected payments totaling One Hundred Five Dollars and forty cents (\$105.40) with SunTrust Bank nor returned the money to Zambroni or Williams.

## CONCLUSIONS OF LAW

1. Tenn. Code Ann. § 56-6-112(a)(4) provides, that the commissioner may deny, suspend, or revoke a license under this part, or refuse to issue or renew any license under this part if she finds that one holding an insurance producer license has improperly withheld, misappropriated or converted any moneys or property received in the course of doing insurance business.

2. Tenn. Code Ann. § 56-6-112(a)(8) provides, that the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew any insurance producer license upon finding that the insurance producer or applicant was using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

3. The State has met its burden of proof by a preponderance of the evidence that the Respondent misappropriated monies received from twenty (20) clients of Monumental on twenty-six (26) occasions during the course of doing insurance business. The Respondent did not forward the received payments to Monumental which resulted in harmful financial loss to Monumental and its clients.

4. The State has met its burden of proof by a preponderance of the evidence that the Respondent received the payments in a fiduciary capacity and has misappropriated, converted, and improperly withheld the monies received from Monumental's clients.

5. The State has met its burden of proof by a preponderance of the evidence that the Respondent misappropriated and/or converted funds received from Monumental's clients and reported a deposit to of such funds to SunTrust Bank but failed to submit the deposit to the bank on one occasion during the course of insurance business. The Respondent did not forward the received payments to Monumental, which resulted in harmful financial loss to Monumental.

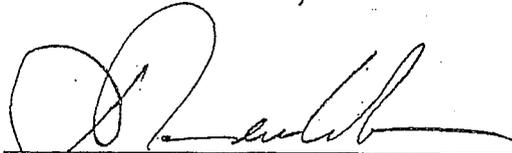
6. The State has met its burden of proof by a preponderance of the evidence that the Respondent received the payments in a fiduciary capacity and has misappropriated, converted, and improperly withheld the monies reported as a deposit to SunTrust Bank.

7. The State has met its burden of proof by a preponderance of the evidence that, on twenty-seven occasions, the Respondent [1] used fraudulent and dishonest practices, and [2] demonstrated incompetence, untrustworthiness and financial irresponsibility in the conduct of business in this state.

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Accordingly, it is hereby **ORDERED** that license number 875419, issued to Billie Jean Charles, be **REVOKED** and that the Respondent be ordered to pay Five Hundred Dollars (\$500) for each of the twenty-seven (27) violations of Tenn. Code Ann. § 56-6-112(a)(4) and Five Hundred Dollars (\$500) for each of the twenty-seven (27) violations of Tenn. Code Ann. § 56-6-112(a)(8), for a total amount of Twenty-Seven Thousand Dollars (\$27,000).

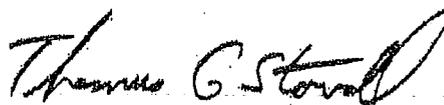
This Initial Order entered and effective this 11 day of July,  
2007.



J. Randall LaFevor, Administrative Judge

Filed in the Administrative Procedures Division, Office of the Secretary of State, this

11 day of July, 2007.



Thomas G. Stovall, Director  
Administrative Procedures Division

**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, 8<sup>th</sup> Floor, William R. Snodgrass Tower, 312 Eighth Avenue N., Nashville, Tennessee, 37243. (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.