



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

TENNESSEE INSURANCE DIVISION, )  
)  
Petitioner, )  
)  
vs. )  
)  
TIMOTHY E. CHAIX, )  
)  
Respondent. )

TID No.: 21-113

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CONSENT ORDER

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The Insurance Division of the Tennessee Department of Commerce and Insurance (the "Division"), by and through counsel, and Timothy E. Chaix ("Respondent") hereby stipulate and agree to the entry and execution of this Consent Order ("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 Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry and execution of this Order by the Commissioner.
2. This Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Order by the

Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. The Respondent fully understands that this Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. The Respondent fully understands that this Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for violations of the 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 in this Order, or which may arise as a result of the execution of this Order by the Respondent.

5. The 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 Order and the consideration and entry and execution of said Order by the Commissioner.

#### AUTHORITY AND JURISDICTION

6. The Commissioner has jurisdiction over this matter pursuant to Tennessee insurance law, Title 56 of the Tennessee Code Annotated ("Tenn. Code Ann."), specifically Tenn. Code Ann. §§ 56-1-103 and 56-6-112 (the "Law"). The Division is the lawful agent through which the Commissioner discharges this responsibility.

#### PARTIES

7. The Commissioner administers the Law through the Division, and authorizes the Division to bring this action for the protection of the public.

8. At all times relevant, the Respondent was a licensee of the Division, who was responsible for being compliant with the insurance laws and regulations of the State of Tennessee.

9. The Respondent held a non-resident Tennessee insurer producer license, number 2375674, which became active on or about September 1, 2017.

10. The Respondent's insurance producer license expiration date was September 30, 2019.

11. The Respondent is a resident of California.

#### FINDINGS OF FACT

12. On or about August 7, 2019, the California Department of Insurance sent the Division a copy of an administrative action taken against the Respondent's California resident insurance producer license. This action had not been reported to the Division within the statutorily required thirty (30) day window.

13. On or about August 13, 2019, the Division entered Inquisitorial Order 19-078, which opened an investigation into the Respondent's conduct.

14. On or about June 18, 2018, the Virginia Bureau of Insurance revoked the Respondent's non-resident surplus lines license due to his failure to properly file a required tax document in Virginia.

15. The Respondent reported Virginia's revocation of the surplus lines license to the Division on March 15, 2019.

16. On or about June 14, 2019, the California Department of Insurance imposed civil penalties on the Respondent, in his capacity as a California resident insurance producer, for failure to report the aforementioned administrative action from Virginia.

17. The Respondent reported California's revocation of his license to the Division on

July 22, 2019.

CONCLUSIONS OF LAW

18. At all times relevant hereto, Tenn. Code Ann. § 56-6-112 has provided:

(a) The [C]ommissioner may place on probation, suspend, revoke, or refuse to issue or renew a license issued under Title 56, Part 6, Chapter 1, or issue a civil penalty for any one (1) or more of the following reasons:

...

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

...

(9) Having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory[.]

...

(e) The [C]ommissioner 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.

...

(g) If . . . the [C]ommissioner 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 [C]ommissioner may, at the [C]ommissioner'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.
- (h) In determining the amount of penalty to assess under this section, the [C]ommissioner shall consider:
  - (1) Whether the person could reasonably have interpreted such person's actions to be in compliance with the obligations required by a statute, rule or order;
  - (2) Whether the amount imposed will be a substantial economic deterrent to the violator;
  - (3) The circumstances leading to the violation;
  - (4) The severity of the violation and the risk of harm to the public;
  - (5) The economic benefits gained by the violator as a result of noncompliance;
  - (6) The interest of the public; and
  - (7) The person's efforts to cure the violation.

19. At all times relevant hereto, Tenn. Code Ann. § 56-6-119 has provided that:

- (a) A producer shall report to the [C]ommissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within thirty (30) days of the final disposition of the matter. This report shall include a copy of any order entered or other relevant legal documents.

20. In failing to report to the Commissioner administrative action in another jurisdiction (the jurisdictions of Virginia and California) within thirty days (30), the Respondent violated Tenn. Code Ann. §§ 56-6-112(a)(2), (9) and 56-6-119(a).

ORDER

NOW, THEREFORE, on the basis of the foregoing and the Respondent's waiver of the right to a hearing and appeal under Tennessee insurance law and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondent's admission of jurisdiction of the Commissioner, the Commissioner finds that the Respondent, for the purpose of settling this matter, admits the Findings of Fact and Conclusions of Law, agrees to the entry and execution of this Order and agrees that this Order is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the Law.

**IT IS THEREFORE ORDERED**, pursuant to Tenn. Code Ann. § 56-6-112, that the Respondent pay a civil penalty in the amount of **FIVE HUNDRED DOLLARS (\$500)** for the violations outlined above, as warranted by the facts and conclusions of law. The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and Insurance. Page one (1) of this Order must accompany payment for reference. Payment shall be made within thirty (30) days of the date this agreement is executed by the Commissioner, and payment shall be mailed to:

State of Tennessee  
Department of Commerce and Insurance  
Attn: Lovemore N. Gororo  
Davy Crockett Tower  
500 James Robertson Parkway  
Nashville, TN 37243

**IT IS FURTHER ORDERED**, that this 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 the Respondent for violations of Tenn. Code Ann. §§ 56-6-112(a)(2) and 56-6-119(a) alleged by the Division to have occurred with respect to the facts contained herein.

This Order is in the public interest and in the best interests of the parties, and represents compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, the Respondent affirmatively states that he has freely agreed to the entry and execution of this Order, that he waives the right to a hearing on the matters underlying this 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 the Order, affirmatively state their agreement to be bound by the terms of this 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 Order, are binding upon them.

This Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

**IT IS SO ORDERED.**

**ENTERED AND EXECUTED** \_\_\_\_\_, 2022.

  
Carter Lawrence (Apr 26, 2022 09:14 CDT)

\_\_\_\_\_  
Carter Lawrence, Commissioner  
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:



Timothy E. Chaix  
17861 Arbolada Way  
Tustin, CA 92780



Bill Huddleston (Apr 25, 2022 14:33 CDT)

Bill Huddleston  
Assistant Commissioner for Insurance  
Department of Commerce and Insurance



Lovemore N. Gororo (Apr 25, 2022 10:09 CDT)

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