



State of Tennessee
Department of State
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February 14, 2017

Commissioner Julie Mix McPeak
Tennessee Department of Commerce &
Insurance
Office of Legal Counsel
12th Floor, Davy Crockett Tower
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Cynthia Hale Dixon
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RE: In the Matter of: Cynthia Hale Dixon

Docket No. 12.04-140921J

Enclosed is an Initial Order rendered in connection with the above-styled case.

Administrative Procedures Division
Tennessee Department of State

/aem
Enclosure

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DEPT. OF COMMERCE AND INSURANCE
LEGAL OFFICE

**BEFORE THE COMMISSIONER OF THE TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE**

IN THE MATTER OF:

CYNTHIA HALE DIXON

DOCKET NO. 12.04-140921J

NOTICE

ATTACHED IS AN INITIAL ORDER RENDERED BY AN ADMINISTRATIVE JUDGE WITH THE ADMINISTRATIVE PROCEDURES DIVISION.

THE INITIAL ORDER IS NOT A FINAL ORDER BUT SHALL BECOME A FINAL ORDER UNLESS:

1. THE ENROLLEE FILES A WRITTEN APPEAL, OR EITHER PARTY FILES A PETITION FOR RECONSIDERATION WITH THE ADMINISTRATIVE PROCEDURES DIVISION NO LATER THAN **March 1, 2017**.

YOU MUST FILE THE APPEAL, PETITION FOR RECONSIDERATION WITH THE ADMINISTRATIVE PROCEDURES DIVISION. THE ADDRESS OF THE ADMINISTRATIVE PROCEDURES DIVISION IS:

SECRETARY OF STATE
ADMINISTRATIVE PROCEDURES DIVISION
WILLIAM R. SNODGRASS TOWER
312 ROSA PARKS AVENUE, 8th FLOOR
NASHVILLE, TENNESSEE 37243-1102

IF YOU HAVE ANY FURTHER QUESTIONS, PLEASE CALL THE ADMINISTRATIVE PROCEDURES DIVISION, **615/741-7008 OR 741-5042, FAX 615/741-4472**. PLEASE CONSULT APPENDIX A AFFIXED TO THE INITIAL ORDER FOR NOTICE OF APPEAL PROCEDURES.

**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE**

**TENNESSEE INSURANCE
DIVISION,**

Petitioner,

vs.

**CYNTHIA HALE DIXON,
Respondent.**

**Docket No. 12.04-140921J
TID No. 16-095**

INITIAL ORDER

This matter came forward on January 5, 2017, before Mattielyn B. Williams, Administrative Judge, sitting for the Commissioner of Commerce and Insurance. Mr. Jesse D. Joseph, Assistant General Counsel-Litigation, represented the Tennessee Insurance Division (“Division”). Respondent Cynthia Hale Dixon represented herself and appeared by telephone conference call from Knoxville, Tennessee.

FINDINGS OF FACT

1. Title 56 of the Tennessee Code Annotated (“Tenn. Code Ann.”), specifically Tenn. Code Ann. §§ 56-1-202 and 56-6-112 (the “Law”), places the responsibility for the administration of the Law on the Commissioner of the Department of Commerce and Insurance (“Commissioner”). The Division is the lawful agent through which the Commissioner discharges this responsibility.

2. Cynthia Hale Dixon (“Respondent”) is a licensee of the Division who is responsible for being compliant with the insurance laws and regulations of the State of

Tennessee. Respondent holds a Tennessee insurance producer license, number 0836714, which became active on October 30, 2000, and which expired on January 31, 2015.

3. Respondent's mailing and residential address currently listed with the Department is 420 W. Clinch Ave., #320, Knoxville, TN 37902, and has been since August 18, 2015, the date when Respondent faxed a request to the Division's Agent Licensing Section requesting change from her previous address of 6514 Flint Gap Road, Knoxville, TN 37914.

4. Investigator Jacqueline Cherry of the Division's Financial Services Investigations Unit, the assigned investigator in this matter, spoke with the Respondent in the summer of 2016 wherein Respondent admitted that her current residential address at that time was 5508 Rosebay, Apt. 4, Knoxville, TN 37918. On or about mid November 2016, Ms. Cherry received a call from an unidentified male calling on Respondent's behalf, and contacted the Respondent again by phone on or around November 18, 2016 at a contact number of 865-896-8545. Respondent again confirmed to Investigator Cherry in November of 2016 that the 5508 Rosebay, Apt. 4, Knoxville, TN 37918 address was her current residential address.

5. On July 2, 2014, an Information (with waiver of indictment) was filed against the Respondent in the Knox County Criminal Court, charging Respondent with one (1) count of Theft of Property of ten thousand dollars (\$10,000) or more but less than sixty thousand dollars (\$60,000) (a Class C Felony), and one (1) count of Theft of Property of one thousand dollars (\$1,000) or more but less than ten thousand dollars (\$10,000) (a Class D Felony), in violation of Tenn. Code Ann. § 39-14-103. A certified copy of the July 2, 2014 Information (with waiver of Indictment) filed against Respondent in the

Knox County TN Criminal Court, Case No. 103846, charging Respondent with Theft, was entered into evidence.

6. Respondent pled guilty to and was convicted of both of these felony theft offenses on September 10, 2014. A certified copy of the Guilty Plea entered into on July 2, 2014 by Respondent and the State of Tennessee, in Knox County Criminal Court Case No. 103846, was entered into evidence.

7. In its Judgment on the Class C Felony Theft conviction entered on September 10, 2014 (Count One of the Indictment), the Court sentenced Respondent to three (3) years in the custody of the Tennessee Department of Corrections, with the sentence suspended except for ninety-four (94) days to serve, and with Respondent placed on supervised probation for two hundred seventy-one (271) days. Respondent was also ordered to have no contact with victim Renee Butler. A certified copy of the Judgment as to Count One filed against Respondent by the Criminal Court in Knox County Criminal Court Case No. 103846, on September 10, 2014, was entered into evidence.

8. In its Judgment on the Class D Felony Theft conviction entered on September 10, 2014 (Count Two of the Indictment), the Court sentenced Respondent to two (2) years in the custody of the Tennessee Department of Corrections, to run concurrently with Count One and with the same period of incarceration and probation. Respondent was also ordered within the Judgment as to Count Two to pay two thousand one hundred ten dollars (\$2,110.00) in restitution to, and to have no contact with victim John Roberts (her former boyfriend) while on probation. A certified copy of the Judgment as to Count Two filed against Respondent by the Criminal Court in Knox County Criminal Court Case No. 103846, on September 10, 2014, was entered into evidence.

9. Respondent has admitted in her written statement faxed to the Department and dated July 20, 2015, that she took “her boyfriend’s check followed by pawning jewelry of another girl’s...”

10. Respondent did not report to the Commissioner this Knox County state criminal prosecution within thirty (30) days after her initial pretrial hearing date, as required, and instead, did not report it until she attempted to renew her Tennessee insurance producer license in early July of 2015.

11. In mid-September 2016, Respondent filed a Chapter 13 Bankruptcy Petition in the U.S. Bankruptcy Court for the Eastern District of Tennessee at Knoxville (Case No. 3:16-bk-32768-SHB), and is currently scheduled to be under a Chapter 13 bankruptcy plan for at least sixty (60) months after September 2016. Respondent is experiencing considerable financial distress with the obligation to pay her criminal restitution separately from the bankruptcy, and given her obligation to make \$70.00 payments semi-monthly to the Chapter 13 Trustee to fund her Chapter 13 plan.

12. The Respondent has shown remorse for her past criminal conduct in this proceeding.

13. On or about January 10, 2017, Respondent sent an email to counsel for the Department, informing the Department and the Court that her new mailing address is 1612 Southshire Lane, Knoxville, TN 37922.

CONCLUSIONS OF LAW

1. In accordance with Tenn. Comp. R. & Regs. 1360-04-01-.02(7) and 1360-04-01-.15(3), it is **CONCLUDED** that the Petitioner has proven, by a preponderance of

evidence, that the facts alleged in the Notice of Hearing and Charges pertaining to Respondent Cynthia Hale Dixon are true and that the issues raised therein should be resolved in its favor.

2. Tenn. Code Ann. §§ 56-6-112(a)(2), (a)(6), (a)(7), & (a)(8) provide:

The 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:

...

(6) Having been convicted of a felony;

....

3. It is **CONCLUDED** that the Division has shown by a preponderance of the evidence that the Respondent was convicted of two (2) felony offenses, in violation of Tenn. Code Ann. § 56-6-112(a)(6).

4. At all times relevant hereto, Tenn. Code Ann. § 56-6-119(b) has provided as follows:

[w]ithin thirty (30) days of the initial pretrial hearing date, a producer shall report to the commissioner any criminal prosecution of the producer taken in any jurisdiction. The report shall contain a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents.

5. The Division has shown by a preponderance of the evidence that the Respondent did not report to the Commissioner this state criminal prosecution within thirty (30) days after her initial pretrial hearing date, and chose to wait until early July 2015 to report same while submitting her licensure renewal application. It is **CONCLUDED** that this conduct is in violation of Tenn. Code Ann. § 56-6-119(b).

6. Tenn. Code Ann. § 56-6-112(g) provides, in pertinent part:

(g) If . . . 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.

7. It is **CONCLUDED** that the proof adduced at hearing provides adequate grounds for the revocation of Respondent's Tennessee insurance producer license.

8. However, based on the proof adduced at the hearing regarding her bankruptcy and otherwise difficult financial circumstances, the Court **CONCLUDES** that civil penalties and investigatory and hearing costs are not necessary and, in the interests of justice, should not be assessed against the Respondent. The Court further finds that the assessment of such penalties and costs is not required as a matter of law where violations of a statutory scheme are proven in an administrative licensing proceeding.

JUDGMENT

IT IS, THEREFORE, ORDERED that:

1. The Respondent's Tennessee insurance producer license (No. 0836714) **be and hereby is, REVOKED**, due to her actions in violation of Tenn. Code Ann. §§ 56-6-112(a)(6) & 56-6-119(b) as described above.

2. The Respondent, and any and all persons who may assist her in any of the aforementioned violations of Tenn. Code Ann. § 56-6-112, **shall CEASE and DESIST** from any such activities.
3. This **INITIAL ORDER**, imposing sanctions against Respondent Cynthia Hale Dixon, is entered to protect the public in the State of Tennessee, consistent with the purposes fairly intended by policy and provisions of the Tennessee Insurance Law (the "Law"), Title 56 of Tenn. Code Annotated.

This Initial Order entered and effective this 14TH day of February

2017.



Mattielyn B. Williams
Administrative Judge

Filed in the Administrative Procedures Division, Office of the Secretary of State,
this 14TH day of February 2017.



J. Richard Collier, 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, 8th Floor, William R. Snodgrass Tower, 312 Rosa L. Parks Avenue, Nashville, Tennessee, 37243-1102. (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.