



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

**TENNESSEE INSURANCE DIVISION,** )  
)  
**Petitioner,** )  
)  
**vs.** )  
)  
**MICHAEL JEAN PAUL MASON,** )  
)  
**Respondent.** )

**TID No.: 20-145**

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**CONSENT ORDER**

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The Insurance Division of the Tennessee Department of Commerce and Insurance (“Division”) and Michael Jean Paul Mason (the “Respondent”) hereby stipulate and agree to the entry and execution of this Consent Order, subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”) as follows:

**I. GENERAL STIPULATIONS**

1. It is expressly understood that this Consent Order is subject to and requires the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the Commissioner’s signature and execution of this Consent Order. Entry and execution of this Consent Order by the Commissioner shall occur once the Commissioner signs and dates this Consent Order.
2. This Consent Order is entered into by the Respondent for the purpose of avoiding further administrative action with respect to this cause. 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. The Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the 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 addressed herein.

4. The 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, or 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 entry and execution of this Consent Order.

5. The Respondent expressly waives all further procedural steps and all rights to seek a hearing, judicial review, or to otherwise challenge or contest the validity of this Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry and execution of this Consent Order by the Commissioner.

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

## **II. AUTHORITY AND JURISDICTION**

7. The Commissioner has jurisdiction over insurance matters pursuant to Title 56 of the Tennessee Code Annotated ("Tenn. Code Ann."), specifically Tenn. Code Ann. §§ 56-1-202

and 56-6-112 (the "Law"). The Division is the lawful agent through which the Commissioner discharges this responsibility.

### **III. PARTIES**

8. The Division is the lawful agent through which the Commissioner discharges the administration of the Law, and it is authorized to bring this action for the protection of Tennessee citizens.

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

10. The Respondent's address on record with the Division is: 2057 Mount Badon Lane, Cordova, Tennessee 38016-5227.

11. The Respondent held a valid resident Tennessee insurance producer license, number 0925736, until it expired on November 30, 2019.

12. The Respondent was assigned National Insurance Producer Number 8415276 by the National Insurance Producer Registry ("NIPR"), a service of the National Association of Insurance Commissioners ("NAIC").

### **IV. FINDINGS OF FACT**

13. At all times relevant hereto, the Respondent was licensed in Tennessee as a resident insurance producer.

14. From November 17, 2009, through January 26, 2015, the Respondent was registered with the Financial Industry Regulatory Authority ("FINRA") through member firm Edward James.

15. On or about January 26, 2015, Edward James filed a Uniform Termination Notice for Securities Industry Registration ("Termination Notice") with FINRA on behalf of the

Respondent, stating that the Respondent was permitted to resign from his employment with Edward James, effective January 12, 2015, after the Respondent falsified client information to open seven (7) new firm accounts and provided inaccurate information during an internal review of the matter.

16. Upon receipt of the Termination Notice, FINRA commenced an investigation of the Respondent.

17. On or about November 2, 2016, FINRA filed a complaint against the Respondent, alleging that the Respondent violated FINRA Rules 8210 and 2010 by failing to appear for testimony that he was obligated to attend on September 28, 2016, and October 19, 2016.

18. On March 6, 2017, FINRA entered a Default Decision against the Respondent, finding the Respondent in violation of FINRA Rules 8210 and 2010, and barring the Respondent from associating with any member firm in any capacity.

19. On or about April 3, 2017, the above-mentioned Default Decision became the final disciplinary action of FINRA.

20. On November 30, 2017, the Respondent submitted a resident insurance producer license renewal application to the Division.

21. On the renewal application, the Respondent answered "No" to question number four (4), which asked, "Have you been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration, which has not been previously reported to this insurance department?"

22. On May 17, 2017, the Division entered Inquisitorial Order number 17-050, commencing an investigation of the Respondent.

23. As of the date of this Consent Order, the Respondent has not disclosed the FINRA action to the Division.

#### V. CONCLUSIONS OF LAW

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

- (a) 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:
  - (1) Providing incorrect, misleading, incomplete or materially untrue information in the license application;
  - (2) Violating any law, rule, regulation, subpoena or order of the commissioner or of another state's commissioner;
  - (3) Obtaining or attempting to obtain a license through misrepresentation or fraud;
  - ...
  - (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;
  - ...
- (e) 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.
- (f) The commissioner may serve a notice or order in any action arising under this part by registered or certified mail to the insurance producer or applicant at the address of record in the files of the department. Notwithstanding any law to the contrary, service in the manner set forth in this subsection (f) shall be deemed to constitute actual service on the insurance producer or applicant.

- (g) 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.
- (h) In determining the amount of penalty to assess under this section, the commissioner 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.

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

- (a) A producer shall report to the commissioner 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.

26. The Respondent committed a violation of Tenn. Code Ann. § 56-6-112(a)(1) when the Respondent answered “No” when asked if the Respondent had been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration, which has not been previously reported to this insurance department on his November 30, 2017, renewal application.

27. The Respondent committed a violation of Tenn. Code Ann. § 56-6-112(a)(2) when the Respondent violated Tenn. Code Ann. § 56-6-119(a) by failing to timely report the FINRA action taken against the Respondent to the Division.

28. The Respondent committed a violation of Tenn. Code Ann. § 56-6-112(a)(3) when the Respondent answered “No” when asked if the Respondent had been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration, which has not been previously reported to this insurance department on his November 30, 2017, renewal application.

29. The Respondent committed a violation of Tenn. Code Ann. § 56-6-112(a)(8) when the Respondent obtained a license by submitting materially untrue information on his renewal application; violated laws, rules, and regulations of this state’s Commissioner; and failed to timely report the FINRA actions taken against him to the Division.

30. The Respondent hereby acknowledges the Commissioner’s authority to administer the statutes cited herein, concedes that the interpretation of the statutes cited herein are reasonable

and enforceable, and agrees to the Commissioner's entry and execution of this Consent Order, including each of the following sanctions ordered below.

#### **VI. ORDER**

**NOW, THEREFORE**, based on the foregoing, including the Respondent's waiver of the right to a hearing and appeal under the Law and the Tennessee Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondent's admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondent, for purposes of settling this matter, admits to the Findings of Fact and Conclusions of Law contained herein, agrees to the entry and execution of this Consent Order, and finds this Consent Order to be appropriate, in the best interest of the public, and necessary for the protection of the public.

**IT IS THEREFORE ORDERED**, pursuant to Tenn. Code Ann. § 56-6-112, that:

1. The Respondent's Tennessee insurance producer license, number 0925736, is hereby **REVOKED**.

2. This Consent Order represents the complete and final resolution of and discharge of all administrative and civil claims, demands, actions, and causes of action by the Commissioner against the Respondent for violations of the Law with respect to the transactions involved in the above-referenced facts; however, excluded from, and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of the Consent Order provisions contained herein.

3. This Consent Order is in the best interest of both the public, and the parties, and represents a compromise and settlement of the controversy between the parties. By the signature affixed below, the Respondent states that he has: (1) freely agreed to the entry and execution of this Consent Order; (2) been afforded the opportunity to 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 and the enforcement of this Consent Order. The 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.

4. By signing this Consent Order, the parties 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 the settlement as set forth herein, are binding upon them.

5. This Consent 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.

**ENTERED AND EXECUTED** September 17, 2020.

  
Hodgen Mainda (Sep 17, 2020 08:59 CDT)

Hodgen Mainda, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY AND EXECUTION:**

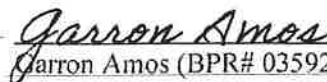


Michael Jean Paul Mason  
Respondent  
*Pro Se*



Rachel Trade-Rice (Sep 16, 2020 16:23 CDT)

Rachel Trade-Rice  
Assistant Commissioner for Insurance  
Department of Commerce and Insurance



Garron Amos (BPR# 035924)  
Associate General Counsel  
Department of Commerce and Insurance