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May 23, 2025

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Ronald Cole Meredith, Jr.
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**RE: TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE V. RONALD
COLE MEREDITH, JR., APD Case No. 12.01-245183J**

Enclosed is an *Initial Order*, including a *Notice of Appeal Procedures*, rendered in this case.

Administrative Procedures Division
Tennessee Department of State

Enclosure(s)

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

IN THE MATTER OF:

**TENNESSEE DEPARTMENT OF
COMMERCE AND INSURANCE,
*Petitioner,***

v.

**RONALD COLE MEREDITH, JR.,
*Respondent.***

APD Case No. 12.01-245183J

INITIAL ORDER

This matter came to be heard on the 25th day of February 2025, before Administrative Judge Michael Begley, sitting on behalf of the Commissioner of the Department of Commerce and Insurance (“Commissioner”). Petitioner, the Tennessee Insurance Division (“Division”), was represented by Alex G. Corder, Associate Counsel. Ronald Cole Meredith, Jr. (“Respondent”) chose to represent himself without the assistance of counsel.

Upon consideration of the pleadings, the testimony of witnesses, documentary evidence, and the entire record, the Court issues this INITIAL ORDER with Findings of Fact and Conclusions of Law as follows.

SUMMARY OF THE EVIDENCE

Odessa Williamson, the property owner, and FSIU Investigator Monica M. Meeks testified on Petitioner’s behalf. Respondent testified on his own behalf. Nine exhibits were entered into evidence and are attached to the hearing transcript.

FINDINGS OF FACT

1. The Division opened an investigation into Respondent upon a complaint from Odessa Williamson (“Williamson”), a care home provider for the mentally ill in Memphis, TN,

providing housing, medical, and psychiatric care for clients. The property was located at 678 Williams Ave. Memphis, Tennessee.

2. Williamson obtained liability and property insurance on this property through Respondent. She obtained a liability policy with ProAssurance Specialty Insurance (“ProAssurance”) that was to be in effect from August 8, 2016, through August 8, 2017. Williamson also obtained a property insurance policy with Lloyds of London that was to be in effect from August 1, 2016, through August 1, 2017.

3. Williamson remitted Respondent’s agency a check for a down payment on the policy in the amount of \$2,486. At the time of remittance, Williamson was unaware that the down payment amount was \$3,358.12. This discrepancy initiated the chain of events that led to the policy cancellation. Respondent did not inform Williamson of the discrepancy or check the status of the policy at any point prior to the fire. Williamson’s account was then auto-debited for eleven months in the amount of \$941. The auto-debit went directly to the insurance company rather than to Respondent’s company.

4. In June of 2017, the property located at 678 Williams Avenue suffered a fire causing a total loss. As a result, Williamson lost fifty percent of her clientele and filed for bankruptcy.

5. Immediately after the fire, Williamson notified the Respondent of the fire and sent the Respondent a copy of the fire report for the claim. Williamson then discovered that ProAssurance denied the claim because the Respondent did not report the fire to ProAssurance until after the expiration of the policy. Williamson also learned that Lloyds of London denied the claim because the policy had been cancelled in December 2016, prior to the fire, due to nonpayment of premiums.

6. Williamson made every payment on time, including payments after the cancellation of the Lloyds of London policy. These payments were made to Respondent. Respondent failed to remit the payments to Lloyds of London, ultimately causing the cancellation of the Lloyds of London policy. Respondent also failed to timely submit the claim and fire report to ProAssurance, which caused ProAssurance to deny the claim.

CONCLUSIONS OF LAW

1. Petitioner has the burden to introduce evidence that would prove by a preponderance of the evidence that the issues should be resolved in Petitioner's favor. TENN. COMP. R. & REGS 1360-04-01-.02(3).

2. TENN. CODE ANN. § 56-6-112 provides the following:

(a) The [C]ommissioner 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:

...

(4) improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business[.]

...

(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 [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.

3. "Misappropriation" is defined as "the application of another's property or money dishonestly to one's own use." Black's Law Dictionary (10th ed. 2014). Unlike conversion, misappropriation does not require intent. *See e.g., Brown v. Davidson*, 1997 WL 749456, at *2 (Tenn. Ct. App. 1997) (use of client funds for other than their intended purposes constituted negligent misappropriation). In the context of attorney trust accounts, courts have acknowledged

that there are “widely varying degrees of misappropriation of funds” ranging from knowing to simple negligence. *Bd. of Prof. Responsibility of the Sup. Ct. of Tenn. v. Barry*, 545 S.W.3d 408, 424 and n.21 (Tenn. 2018).” *Certain Underwriters at Lloyd's London v. Jupiter Managing Gen. Agency, Inc.*, 596 F. Supp. 3d 1039, 1049 (M.D. Tenn. 2022).

4. Petitioner has met its burden of proof by showing Respondent demonstrated incompetence or financial irresponsibility in the conduct of business in Tennessee by failing to remit policy premium payments to the insurer and failing to submit a timely claim to the insurer in violation of TENN. CODE ANN. § 56-6-112(a)(8). Respondent was in the best position to remedy the discrepancy between the deposit check amounts. Had he exhibited the competence and responsibility required by a licensed agent, he would have noticed the discrepancy, informed Williamson, and ensured that all policies were active.

5. Petitioner has also met its burden to prove Respondent improperly withheld, misappropriated, and converted policy premium payments when he received those payments and failed to remit the payments to the insurer, in violation of TENN. CODE ANN. § 56-6-112(a)(4). Petitioner presented no evidence that Respondent used any monies submitted for a specific personal benefit or purchase other than any funds he would have received in the course of his business with any other client. The monthly amounts were automatically debited directly to the insurance company rather than to Respondent’s company. However, the monies were improperly received since Respondent did not use Williamson’s money to pay on an active insurance policy. Respondent’s intent to misappropriate is not required to prove a violation.

JUDGMENT

Respondent did not obtain significant economic benefit by his business practices in this matter. He was grossly negligent, but there is no evidence of intentional criminal wrongdoing.

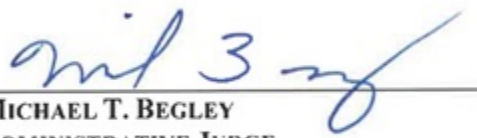
However, Respondent could never have interpreted Williamson's check to comply with the policy requirements for an active policy on the property. Because of his actions or lack thereof, Williamson suffered the most severe harm possible under the circumstances. Her business was completely lost, and she filed for bankruptcy. Such behavior by Respondent poses significant harm to the public. As such, the following is **ORDERED**:

- Respondent's Tennessee resident insurance producer license number 0663780 is **REVOKED**;
- Respondent is assessed the civil penalty of one thousand dollars (\$1,000) for two violations of using fraudulent, coercive, or dishonest practices, and demonstrating incompetence, untrustworthiness, or financial irresponsibility in violation of TENN. CODE ANN. § 56-6-112(a)(8).
- Respondent is **ASSESSED** the civil penalty of five hundred dollars (\$500) for withholding, misappropriating, or converting policy premium funds, in violation of TENN. CODE ANN. § 56-6-112(a)(4).
- Respondent is **ORDERED** to **CEASE** and **DESIST** violating the Tennessee Insurance laws.
- Respondent shall pay the costs of the investigation, prosecution, and hearing on this matter.

This INITIAL ORDER imposing sanctions against the Respondent is entered to protect the public and investors in the State of Tennessee, consistent with the purposes fairly intended by the policy and provisions of the Law.

It is so **ORDERED**.

This INITIAL ORDER entered and effective this the **23rd day of May 2025**.


MICHAEL T. BEGLEY
ADMINISTRATIVE JUDGE
ADMINISTRATIVE PROCEDURES DIVISION
OFFICE OF THE SECRETARY OF STATE

Filed in the Administrative Procedures Division, Office of the Secretary of State, this the
23rd day of May 2025.

NOTICE OF APPEAL PROCEDURES

REVIEW OF INITIAL ORDER

The Administrative Judge's decision in your case **BEFORE THE COMMISSIONER OF THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE (COMMISSIONER)**, called an Initial Order, was entered on **May 23, 2025**. The Initial Order is not a Final Order but shall become a Final Order unless:

1. **A Party Files a Petition for Reconsideration of the Initial Order:** You may ask the Administrative Judge to reconsider the decision by filing a Petition for Reconsideration with the Administrative Procedures Division (APD). A Petition for Reconsideration should include your name and the above APD case number and should state the specific reasons why you think the decision is incorrect. APD must **receive** your written Petition no later than 15 days after entry of the Initial Order, which is no later than **June 9, 2025**. A new 15 day period for the filing of an appeal to the **COMMISSIONER** (as set forth in paragraph (2), below) starts to run from the entry date of an order ruling on a Petition for Reconsideration, or from the twentieth day after filing of the Petition if no order is issued. Filing instructions are included at the end of this document.

The Administrative Judge has 20 days from receipt of your Petition to grant, deny, or take no action on your Petition for Reconsideration. If the Petition is granted, you will be notified about further proceedings, and the timeline for appealing (as discussed in paragraph (2), below) will be adjusted. If no action is taken within 20 days, the Petition is deemed denied. As discussed below, if the Petition is denied, you may file an Appeal, which must be **received** by APD no later than 15 days after the date of denial of the Petition. *See* TENN. CODE ANN. §§ 4-5-317 and 4-5-322.

2. **A Party Files an Appeal of the Initial Order:** You may appeal the decision to the **COMMISSIONER** by filing an Appeal of the Initial Order with APD. An Appeal of the Initial Order should include your name and the above APD case number and state that you want to appeal the decision to the **COMMISSIONER**, along with the specific reasons for your appeal. APD must **receive** your written Appeal no later than 15 days after the entry of the Initial Order, which is no later than **June 9, 2025**. The filing of a Petition for Reconsideration is not required before appealing. *See* TENN. CODE ANN. § 4-5-317.
3. **The COMMISSIONER decides to Review the Initial Order:** In addition, the **COMMISSIONER** may give written notice of the intent to review the Initial Order, within 15 days after the entry of the Initial Order.

If either of the actions set forth in paragraphs (2) or (3) above occurs prior to the Initial Order becoming a Final Order, there is no Final Order until the **COMMISSIONER** renders a Final Order.

If none of the actions in paragraphs (1), (2), or (3) above are taken, then the Initial Order will become a Final Order. **In that event, YOU WILL NOT RECEIVE FURTHER NOTICE OF THE INITIAL ORDER BECOMING A FINAL ORDER.**

STAY

In addition, you may file a Petition asking the Administrative Judge for a stay that will delay the effectiveness of the Initial Order. A Petition for Stay must be **received** by APD within 7 days of the date of entry of the Initial Order, which is no later than **May 30, 2025**. *See* TENN. CODE ANN. § 4-5-316. A reviewing court also may order a stay of the Final Order upon appropriate terms. *See* TENN. CODE ANN. §§ 4-5-322 and 4-5-317.

NOTICE OF APPEAL PROCEDURES

REVIEW OF A FINAL ORDER

When an Initial Order becomes a Final Order, a person who is aggrieved by a Final Order in a contested case may seek judicial review of the Final Order by filing a Petition for Review “in the Chancery Court nearest to the place of residence of the person contesting the agency action or alternatively, at the person’s discretion, in the chancery court nearest to the place where the cause of action arose, or in the Chancery Court of Davidson County,” within 60 days of the date the Initial Order becomes a Final Order. *See* TENN. CODE ANN. § 4-5-322. The filing of a Petition for Reconsideration is not required before appealing. *See* TENN. CODE ANN. § 4-5-317.

FILING

Documents should be filed with the Administrative Procedures Division by email *or* fax:

Email: APD.filings@tnsos.gov

Fax: 615-741-4472

In the event you do not have access to email or fax, you may mail or deliver documents to:

Secretary of State
Administrative Procedures Division
William R. Snodgrass Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102