



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

TENNESSEE INSURANCE DIVISION,

Petitioner,

v.

STANDARD LINES BROKERAGE

TID No.: 17-110

and

DARREN A. MARSH,

Respondents.

CONSENT ORDER

The Tennessee Insurance Division ("TID") of the Tennessee Department of Commerce and Insurance ("Department"), by and through undersigned counsel, and the Respondents, Standard Lines Brokerage ("SLB") and Darren A. Marsh ("Marsh") (together "Respondents"), (all together "Parties") agree to the entry of this Consent Order in accordance with the provisions of the Tennessee Insurance Law (the "Law") found under TENN. CODE ANN. § 56-6-112(g).

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 of the Commissioner.

2. This Order is executed by the Parties 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 Respondents fully understand that this Order will in no way preclude additional proceedings by the Commissioner against the Respondents 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 Respondents fully understand that this Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for violations of the Law addressed specifically in this Order against the Respondents for violations of 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 execution of this Order by the Parties.

FINDINGS OF FACT

5. SLB is a licensee of the Division who is responsible for being compliant with the insurance laws and regulations of the State of Tennessee.

6. SLB holds Tennessee Nonresident Insurance Producer License number 2254312.

7. SLB's address of record on file with the Division is 5900 Hiatus Road, Tamarac, FL 33321.

8. Marsh is a licensee of the Division who is responsible for being compliant with the insurance laws and regulations of the State of Tennessee.

9. Marsh holds Tennessee Nonresident Insurance Producer License number 0796419.

10. Marsh is the President and Designated Responsible Licensed Producer for SLB.

11. Marsh's address of record on file with the Division is 10312 NW 69th Manor, Parkland, FL 33076.

12. On or about November 10, 2014, the Texas Department of Insurance entered a Consent Order against SLB ordering payment of one thousand three hundred dollars (\$1,300) in administrative penalties for failing to timely file surplus lines policies, and failing to timely pay assessed fees.

13. On or about February 18, 2015, SLB submitted a Tennessee non-resident renewal application to the Department.

14. SLB answered "No" to question number four (4) of the application, which asked "[h]as the business entity or any owner, partner, officer or director of the business entity, or manager or member of a limited liability company, 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?"

15. On or about April 19, 2016, the Louisiana Department of Insurance jointly fined SLB and Marsh, as the licensed individual responsible for SLB's compliance, five hundred dollars (\$500) for failure to report the administrative action taken against SLB in Texas, and failure to disclose the action on SLB's renewal application.

16. On or about August 8, 2016, SLB and Marsh submitted two (2) letters to Department Agent Licensing Director Kim Biggs self-reporting violations related to their failure to report the administrative actions taken against them, and their failure to disclose the administrative actions on SLB's February 18, 2015, Tennessee non-resident renewal application.

17. In their letters dated August 8, 2016, both SLB and Marsh stated that they were not aware of the requirement to notify other states about administrative actions taken against them and that they were not aware that the administrative actions taken against them were required to be disclosed on SLB's renewal application.

18. The Respondents, in discussions with counsel for the TID, has indicated their desire to resolve the above-referenced matter.

19. The Respondents agree to pay a civil penalty in the amount of one thousand dollars (\$1,000) within thirty (30) days of the entry of this Order.

20. The Respondents expressly agree to waive all further procedural steps and all rights to seek judicial review of, or to otherwise challenge or contest the validity of this Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Order by the Commissioner.

21. The Respondents have expressly agreed to permanently waive any right to a hearing and appeal under Tenn. Code Ann. §§ 4-5-101 *et seq.* with respect to this Order.

22. The Respondents have voluntarily complied with all requests for information made by representatives of the TID and have fully cooperated with the investigation by the TID.

23. Petitioner alleges facts as stated herein provide sufficient grounds for a finding that the Respondent violated TENN. CODE ANN. §§ 56-6-119(a) and 56-6-112(a)(2)

CONCLUSIONS OF LAW

24. At all times relevant hereto, TENN. CODE ANN. § 56-6-119(a) has provided that 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.

25. At all times relevant hereto, TENN. CODE ANN. § 56-6-106 has provided that:

- (b) A business entity may obtain an insurance producer's license; however, only an individual licensed producer or limited lines producer shall sell, solicit or negotiate a contract of insurance in this state. Application shall be made using the uniform business entity application. An individual authorized and acting on behalf of the

business entity shall declare under penalty of refusal, suspension or revocation of the license that the statements made in the application are true, correct and complete to the best of the individual's knowledge and belief. Before approving the application, the commissioner shall find that:

...

- (2) The business entity has designated a principal or officer who also holds a current producer license responsible for the business entity's compliance with the insurance laws, rules and regulations of this state.

21. At all times relevant hereto, TENN. CODE ANN. § 56-6-112(a) has provided that the Commissioner 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:

- (1) Providing incorrect, misleading, incomplete or materially untrue information in the license application; and
- (2) Violating any law, rule, regulation, subpoena or order of the commissioner or of another state's commissioner.

22. For all violations occurring on or after July 1, 2011, TENN. CODE ANN.

§ 56-6-112 states:

...

- (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.

...

- (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.
- (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.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and the waiver by the Respondents of the right to a hearing and appeal under the Tennessee Insurance Law and the Tennessee Uniform Administrative Procedures Act, TENN. CODE ANN. §§ 4-5-101 *et seq.*, and the admission by the Respondents of jurisdiction of the Commissioner, the Commissioner finds that the Respondents, for the purpose of settling this matter, admit the Findings of Fact and Conclusions of Law herein, have agreed to the entry of this Order, and that the following Order is appropriate and is in the public interest.

IT IS ORDERED, pursuant to the stipulation of Respondents, Standard Lines Brokerage and Darren A. Marsh, that they shall:

1. **PAY A CIVIL PENALTY** to the State of Tennessee in the total amount of one

thousand dollars (\$1,000) within thirty (30) days of the entry of this Order and include a copy of the first page of this Order with payment, and mail to:

**State of Tennessee
Department of Commerce and Insurance
Legal Division, 8th Floor
Attn: Garron Amos, Attorney
Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243**

3. If payment is not made according to the terms described above, the TID may vacate this Order, at its sole discretion, upon ten (10) days' notice to the Respondents and without opportunity for an administrative hearing, and proceed with an administrative action.

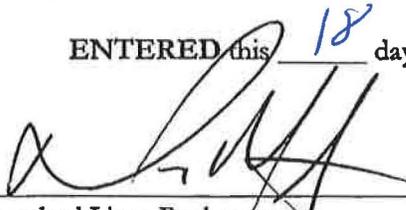
4. This Order represents the complete and final resolution of and discharge with respect to all administrative and civil, claims, demands, actions, and causes of action by the Commissioner against the Respondents for violations of the Law alleged by the TID to have occurred with respect to the transactions involving the above-referenced facts. However, excluded from and not covered by this paragraph are any claims by the TID arising from or relating to enforcement of the Order provisions contained herein.

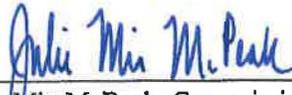
5. This Order is in the public interest and in the best interests of the parties and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, the Respondents affirmatively state that they have freely agreed to the entry of this Order, that they waive 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 them by the Commissioner, the TID, or any agent or representative thereof.

7. The parties, by signing this 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 settlement as set forth in this Order, are binding upon them.

ENTERED this 18 day of May, 2018.


Standard Lines Brokerage
Darren A. Marsh, President


Julie Mix McPeak, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:


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