

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

IN THE MATTER OF:

**TENNESSEE DEPARTMENT OF
COMMERCE AND INSURANCE,**

Petitioner,

v.

TIMOTHY PRATT,

Respondent.

APD Case No. 12.01-200747J

INITIAL ORDER

This matter came forward on June 25, 2020, before Mattielyn B. Williams, Administrative Judge, assigned by the Secretary of State, Administrative Procedures Division, sitting on behalf of the Commissioner of Commerce and Insurance.

Associate General Counsel for the Department, Robyn L. Ryan, represented the Tennessee Securities and Insurance Division (“Division”). Respondent Timothy Terrell Pratt appeared and waived his right to have an attorney represent him in this matter.

After consideration of the entire record, the evidence and testimony presented, it is determined that the State has shown, by a preponderance of the evidence, that Respondent’s actions were in violation of TENN. CODE ANN. §56-6-112(a)(1), (8) and TENN. CODE ANN. § 56-6-107. Therefore, Respondent’s insurance producer license number 0954192 should be **SUSPENDED** for a period of **THIRTY (30) DAYS OR** until **ALL CIVIL PENALTIES and COSTS ARE PAID, WHICHEVER PERIOD IS LONGER.**

Respondent should pay a civil penalty of Four Thousand Dollars, (\$4,000.00) representing two violations of TENN. CODE ANN. §56-6-112(a)(1), one violation of TENN. CODE ANN. §56-6-112(a) (8) and one violation of TENN. CODE ANN. § 56-6-107. Respondent should also pay all court and investigatory costs in this matter.

This determination is based on the following Findings of Facts and Conclusions of Law.

FINDINGS OF FACT

Bad Policies

1. On October 14, 2016, the Financial Services Investigations Unit (FSIU) of the Division received notification from Combined Insurance Company of the termination for cause of Respondent Timothy Terrell Pratt, due to a customer submitting a claim for a pre-dated cancer policy written by the Respondent's daughter, Timia Pratt.

2. An investigation was conducted by the Division's Insurance Fraud Investigator, Monica Meeks.

3. In the course of that investigation, the Respondent was interviewed and admitted that he was training his daughter and that the policy had been written on the wrong "iPad", re-written on another iPad, and as a result, two (2) policy applications were submitted, although that policy was cancelled due to the customer receiving a cancer diagnosis the same day the policy was submitted.

4. The investigation also found that insurance applications for clients Craig Tidwell and Thomas Gray had different signatures attributed to the clients on policies written by Respondent and appear to have been signed by someone other than the clients. Respondent offered no explanation for the different signatures.

Improper Registration

5. During the hearing, the Respondent testified that his address, with the Division, had been listed as 3471 Bayou Isola, Mississippi, but admitted that he told Investigator Meeks that his home state is now Tennessee, 5254 Mill Branch Road Memphis, Tennessee, as of March 2, 2018. Respondent has a Tennessee driver's license, but the tags on Respondent's car are from Mississippi.

6. Respondent further testified that he intends to move back to Mississippi. Respondent explained that he was going through a possible divorce that turned into a reconciliation, during the years when he was traveling between Tennessee and Mississippi.

7. The Respondent admitted that he had not changed his residence address information with the Division, nor applied for a Tennessee resident insurance license, and instead reapplied for his resident Mississippi insurance producer license in 2018, and renewed his non-resident Tennessee insurance producer license in 2018.

8. From 2016 to 2020, Respondent lived in Tennessee, some, and lived in Mississippi, some. From the testimony at the hearing, it sounded like the Respondent has lived more in Tennessee than in Mississippi. Respondent admits living in Tennessee from January 2020 forward. Respondent indicates that he plans to return to Mississippi once the Coronavirus has cleared.

9. Mail sent by the Administrative Procedures Division to Respondent's Mississippi address was returned.

10. It is **DETERMINED** that the Respondent should have applied for a Tennessee resident license and should have updated his address with the Division.

Failure to Report Action

11. In September 2016, the Respondent signed an Agreed Administrative Order with the Mississippi Insurance Department. In that Order, Respondent was ordered to pay an administrative fine of one thousand dollars (\$1,000.00) and placed on probation wherein he could not accept any premiums from any consumer until terms of the probation were satisfied.

12. That Mississippi Order was never reported to the State of Tennessee, as required. In Respondent's 2016 and 2018 renewal of his non-resident Tennessee license, the Respondent answered "no" to question number 4, "Have you been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupation license or registration, which has not been previously reported to this insurance department?"

13. It is **DETERMINED** that Respondent was untruthful in his responses to Division question number four (4) in both 2016 and 2018.

CONCLUSIONS OF LAW

1. The State must show, by a preponderance of the evidence, that Respondent violated the Act.

2. It is **CONCLUDED** that Respondent's actions with regard to questionable policies,

improper registration, and in failure to report the Mississippi Action, in both 2016 and 2018, are dishonest, unethical and/or demonstrate incompetence and are in violation of TENN. CODE ANN. § 56-6-112(a)(1) and (8):

(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;

...

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

3. Further, Respondent's actions in failure to report his address change and apply for a Tennessee resident license violate TENN. CODE ANN. § 56-6-107 (g):

A licensed insurance producer shall inform the commissioner by any means acceptable to the commissioner of a change of address within thirty (30) days of the change. Failure to timely inform the commissioner of a change in legal name or address may result in disciplinary action pursuant to Section 56-6-112.

4. Based on the foregoing, it is hereby **ORDERED** that Respondent Timothy Pratt's insurance producer license number 0954192 is hereby **SUSPENDED** for a period of **THIRTY (30) DAYS OR** until he **PAYS ALL CIVIL PENALTIES AND COSTS, WHICHEVER IS THE LONGER PERIOD**. More specifically, it is **ORDERED** that Respondent shall **PAY FOUR THOUSAND DOLLARS (\$4,000)** representing a **CIVIL PENALTY** of two thousand dollars (\$2,000) for two (2) violations of TENN. CODE ANN. § 56-6-112 (a)(1), one thousand dollars (\$1,000) for violation of TENN. CODE ANN. § 56-6-112 (a)(8) and one thousand dollars for violation of TENN. CODE ANN. § 56-6-107. It is further **ORDERED** that Respondent shall be assessed the costs of this proceeding, including court costs and court reporter costs.

It is so **ORDERED**.

This INITIAL ORDER entered and effective this the **9th day of July, 2020**.


MATTIELYN B. WILLIAMS
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 **9th day of July, 2020**.


STEPHANIE SHACKELFORD, DIRECTOR
ADMINISTRATIVE PROCEDURES DIVISION
OFFICE OF THE SECRETARY OF STATE

Respectfully Submitted,

Garron Amos
Garron Amos, BPR #035924
Associate General Counsel
Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, 12th Floor
Nashville, Tennessee 37243-0569
Garron.Amos@tn.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of this Itemized Assessed Bill of Costs, will be served upon Respondents via U.S. Mail and U.S. Certified Mail, Return Receipt Requested, to the below enclosed address on the 14th day of August, 2020.

Timothy Pratt
5254 Mill Branch Road
Memphis, TN 38116

Garron Amos
Garron Amos

TN SOS-APD Thu, Aug 13, 2020 06:55 AM : 2 of 6 pages received



**STATE OF TENNESSEE
OFFICE OF THE SECRETARY OF STATE
ADMINISTRATIVE PROCEDURES DIVISION**

CERTIFICATION OF COSTS

**CASE: TENNESSEE DEPARTMENT OF
COMMERCE AND INSURANCE V. TIMOTHY
PRATT**

CASE NO. 12.01-200747J

I, Stephanie Shackelford, Director, Administrative Procedures Division,
Tennessee Secretary of State, do hereby certify that the attached represents
the costs assessed in the above-referenced case.

This the 12th day of August, 2020


STEPHANIE SHACKELFORD, DIRECTOR
ADMINISTRATIVE PROCEDURES DIVISION
OFFICE OF THE SECRETARY OF STATE

EXHIBIT A

August 12, 2020

File #: 12.01-200747J

Re: TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE v. Timothy Pratt

Professional Services

Date	Billor Name	Activity	Hours Worked	Hours Billed	Rate	Total
2/27/2020	Williams, Mattielyn	Initial Docketing Fee	0.00	2.00	\$100.00	200.00
3/5/2020	Williams, Mattielyn	Pre-Hearing Preparation	0.60	0.00	\$100.00	0.00
3/9/2020	Williams, Mattielyn	Pre-Hearing Preparation	0.30	0.00	\$100.00	0.00
3/13/2020	Williams, Mattielyn	Pre-Hearing Preparation	0.20	0.00	\$100.00	0.00
3/20/2020	Williams, Mattielyn	Pre-Hearing Conference	0.40	0.00	\$100.00	0.00
3/20/2020	Williams, Mattielyn	Order Preparation	0.60	0.10	\$100.00	10.00
5/27/2020	Williams, Mattielyn	Pre-Hearing Preparation	0.20	0.20	\$100.00	20.00
5/27/2020	Williams, Mattielyn	Order Preparation	0.50	0.50	\$100.00	50.00
6/9/2020	Williams, Mattielyn	Pre-Hearing Preparation	0.30	0.30	\$100.00	30.00
6/12/2020	Williams, Mattielyn	Pre-Hearing Preparation	0.50	0.50	\$100.00	50.00
6/15/2020	Williams, Mattielyn	Pre-Hearing Preparation	0.40	0.40	\$100.00	40.00
6/22/2020	Williams, Mattielyn	Pre-Hearing Preparation	1.50	1.50	\$100.00	150.00
6/24/2020	Williams, Mattielyn	Pre-Hearing Preparation	1.00	1.00	\$100.00	100.00
6/25/2020	Williams, Mattielyn	Hearing	1.80	1.80	\$100.00	180.00
6/30/2020	Williams, Mattielyn	Correspondence/Email	0.30	0.30	\$100.00	30.00
7/6/2020	Williams, Mattielyn	Order Preparation	0.40	0.40	\$100.00	40.00

TN SOS-APD Thu, Aug 13, 2020 06:55 AM: 4 of 6 pages received

7/8/2020	Williams, Mattielyn	Order Preparation	2.50	2.50	\$100.00	250.00
For Professional Services Rendered:			11.50	11.50		\$1,150.00

INVOICE



Huseby.com

Corporate Headquarters
1730 West Morehead St., Suite 408
Charlotte, NC 28208
Questions? Call (800) 333-2082

Robyn Ryan, Esq.
Tennessee Department of Commerce & Insurance
500 James Robertson Pkwy
Davy Crockett Tower
Nashville, TN 37243

Invoice No.	Invoice Date	Job No.
627808	7/2/2020	297100
Job Date	Case No.	
6/25/2020		
Case Name		
Tennessee Insurance Division vs. Timothy Terrell Pratt		
Payment Terms		
Due upon receipt, after 30 days 1.5% fee		

ORIGINAL TRANSCRIPT OF:

Hearing	62.00	Pages	@	6.91	428.42
Half Day Per Diem				155.00	155.00
	TOTAL DUE >>>				\$583.42

Expedited

Thank you for choosing Huseby!

If you would like to pay your invoice(s) securely online by credit card, please visit www.huseby.com. Click the "Make a Payment" button located at the top of the page. If you prefer to complete the attached credit card form, please scan and email the completed form to: AR@huseby.com. Please DO NOT MAIL the credit card information to the P O Box 6180, Hermitage, PA 16148.

Schedule with us anywhere nationally today! To learn more about the services and technology we provide for both depositions and trial, visit us online at www.huseby.com.

RECEIVED

JUL 21 2020

DEPT. OF COMMERCE AND INSURANCE
LEGAL OFFICE

Phone: 615-253-4395 Fax: 615-741-4000

Tax ID: 31-1763752

Please detach bottom portion and return with payment.

Robyn Ryan, Esq.
Tennessee Department of Commerce & Insurance
500 James Robertson Pkwy
Davy Crockett Tower
Nashville, TN 37243

Job No. : 297100 BU ID : VJH
Case No. :
Case Name : Tennessee Insurance Division vs. Timothy Terrell Pratt
Invoice No. : 627808 Invoice Date : 7/2/2020
Total Due : \$583.42

Remit To: **Huseby Global Litigation**
P.O. Box 6180
Hermitage, PA 16148-0922

PAYMENT WITH CREDIT CARD				
Cardholder's Name: _____				
Card Number: _____				
Exp. Date: _____		Phone#: _____		
Billing Address: _____				
Zip: _____		Card Security Code: _____		
Amount to Charge: _____				
Cardholder's Signature: _____				
Email: _____				

EXHIBIT B

TN SOS-APD Thu, Aug 13, 2020 06:55 AM : 6 of 6 pages received