



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

TENNESSEE INSURANCE DIVISION,
Petitioners.

vs.

SIDECAR HR III, LLC
Respondent.

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TID No.: 16-10809
Order No.: 17-010

CONSENT ORDER

The Tennessee Insurance Division of the Department of Commerce and Insurance ("Division") and Sidecar HR III, LLC ("Respondent") hereby stipulate and agree to the entry of this Consent Order subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner") as follows:

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of an order by the Commissioner.

2. This Consent Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, 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. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against 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 herein addressed.

4. 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, against the Respondent 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 Consent Order by the Respondent.

5. Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of 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 of said Consent Order by the Commissioner.

AUTHORITY AND JURISDICTION

6. The Commissioner has jurisdiction over this matter pursuant to the Tennessee Insurance Law ("Law"), Title 56 of the Tennessee Code Annotated ("Tenn. Code Ann."), specifically, Tenn. Code Ann. §§ 56-1-101 and 56-1-202. The Commissioner has further jurisdiction over this matter pursuant to Tenn. Code Ann. §§ 62-43-102, 62-43-106 and 62-43-112. The Law places on the Commissioner the responsibility of the administration of its provisions.

PARTIES

7. The Commissioner has jurisdiction in this matter.
8. The Division is the lawful agent through which the Commissioner administers the Law and is authorized to bring this action for the protection of the people.
9. Respondent is a staff leasing company with a principal place of business in Florida.

FINDINGS OF FACT

10. On or about May 15, 2015, Respondent commenced business in the state of Tennessee when it began providing staffing services to Smokey Mountain Getaways, a business based in Tennessee.
11. Smokey Mountain Getaways is a subsidiary of Preferred Guest Resorts, a Florida company.
12. Preferred Guest Resorts is a client of Respondent in Florida.
13. The commencement of business with Smokey Mountain Getaways was done as an extension of business with Smokey Mountain's parent company, Preferred Guest Resorts.
14. Respondent has fewer than 50 leased employees in the State.
15. Upon learning that a license was required, Respondent applied for a Restricted Staff Leasing Company license with the state of Tennessee on July 2, 2015, approximately 48 days after commencing business in the state.
16. The application of Respondent has been delayed due to its operation within the state without the proper license.
17. Respondent has admitted to commencing business prior to receiving a license to do so.

CONCLUSIONS OF LAW

18. At all times relevant hereto, Tenn. Code Ann. § 62-43-106(a)(1) has provided that “no person shall provide, advertise or otherwise hold itself out as providing professional employer services in this state unless such person is registered under this chapter.”

19. At all times relevant hereto, Tenn. Code Ann. § 62-43-112(c)(2) has provided that the department may “impose an administrative penalty not to exceed one thousand dollars (\$1,000) for each set of facts constituting a separate violation.”

20. The Findings of Fact contained herein indicate Respondent was in violation of Tenn. Code Ann. § 62-43-106(a)(1) from May 15, 2015, to July 2, 2015, and, as such, Respondent is subject to sanctions pursuant to Tenn. Code Ann. § 62-43-112(c)(2).

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Respondent’s waiver of the right to a hearing and appeal under the Act and the Uniform Administrative Procedures Act (“UAPA”), Tenn. Code Ann. §§ 4-5-101 *et. seq.*, and Respondent’s admission of jurisdiction of the Commissioner, the Commissioner finds that Respondent, for the purpose of settling this matter, admits the Findings of Fact and Conclusions of Law, agrees to the entry of this Order, and agrees that this Order is in the public interest, necessary for the protection of citizens of the State of Tennessee and consistent with the purposes fairly intended by the policy and provisions of the Law.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 62-43-106(a)(1) of Tennessee Law, that:

1. Respondent has voluntarily ceased providing staff leasing and agrees to **CEASE AND DESIST** from conducting unlicensed staffing services in the State of Tennessee until such

time as Respondent obtains a Staff Leasing Company license as defined in Tenn. Code Ann. § § 62-43-101 *et. seq.*

2. Respondent shall pay **ADMINISTRATIVE PENALTIES** in the amount of one thousand dollars (\$1,000). Payment shall be made within thirty (30) days from the date this agreement is executed by the Commissioner and payment shall be mailed to:

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

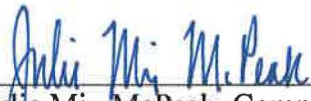
3. In addition, it is further **ORDERED** that all persons in any way assisting, aiding, or helping Respondent in any of the aforementioned violations of the Tenn. Code Ann. § 62-43-106(a)(1) shall **CEASE AND DESIST** from all such activities in violation of Tennessee Law.

IT IS ORDERED that this Consent 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 Respondent Sidecar HR III, LLC. for violations of Tenn. Code Ann. § 62-43-106(a)(1) alleged by the Division to have occurred with respect to the facts contained herein.

This Consent 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, Respondent Sidecar HR III, LLC., affirmatively states it has freely agreed to the entry of this Consent Order, that it waives the right to a hearing on the matters underlying this Consent 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 it by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, 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 settlement as set forth in this Consent Order, are binding upon them.

ENTERED this 16 day of June, 2017.



Julie Mix McPeak, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

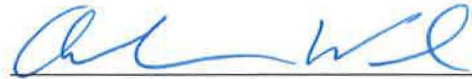


Authorized Signatory
Sidecar HR
801 N. Magnolia Ave.
Suite 102
Orlando, Florida 32803



Michael Humphreys
Assistant Commissioner for Insurance
Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, Tennessee 37243

Respectfully Submitted,



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