BEFORE THE COMMISSIONER OF THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE

IN THE MATTER OF:

ANASTASIA D. BLAKE **DOCKET NO. 12.01-130642J**

NOTICE

ATTACHED IS AN INITIAL ORDER RENDERED BY AN ADMINISTRATIVE JUDGE WITH THE ADMINISTRATIVE PROCEDURES DIVISION.

THE INITIAL ORDER IS NOT A FINAL ORDER BUT SHALL BECOME A FINAL ORDER UNLESS:

1. THE ENROLLEE FILES A WRITTEN APPEAL, OR EITHER PARTY FILES A PETITION FOR RECONSIDERATION WITH THE ADMINISTRATIVE PROCEDURES DIVISION NO LATER THAN **August 17, 2015.**

YOU MUST FILE THE APPEAL, PETITION FOR RECONSIDERATION WITH THE ADMINISTRATIVE PROCEDURES DIVISION. THE ADDRESS OF THE ADMINISTRATIVE PROCEDURES DIVISION IS:

SECRETARY OF STATE
ADMINISTRATIVE PROCEDURES DIVISION
WILLIAM R. SNODGRASS TOWER
312 ROSA PARKS AVENUE, 8th FLOOR
NASHVILLE, TENNESSEE 37243-1102

IF YOU HAVE ANY FURTHER QUESTIONS, PLEASE CALL THE ADMINISTRATIVE PROCEDURES DIVISION, **615/741-7008 OR 741-5042, FAX 615/741-4472.** PLEASE CONSULT APPENDIX A AFFIXED TO THE INITIAL ORDER FOR NOTICE OF APPEAL PROCEDURES.

THE STATE OF TENNESSEE
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

TENNESSEE INSURANCE DIVISION,	)	
Petitioner.	)	
	)	
vs.	)	**APD No. 12.01-130642J**
	)	**TID No. 15-002**
ANASTASIA D. BLAKE,	)	
Respondent.	)	

INITIAL ORDER

This matter came to be heard before Administrative Law Judge Mattielyn B. Williams, assigned by the Secretary of State, Administrative Procedures Division, to sit for the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner"). Stephanie M. Crenshaw, Assistant General Counsel, represented the Insurance Division of the Tennessee Department of Commerce and Insurance ("Division") in this matter. Respondent, Anastasia D. Blake ("Blake"), did not appear, and was not represented by an attorney.

The subject of this hearing was the proposed revocation of Blake's Tennessee Resident Insurance Producer License No. 2085549 ("License"), and a request for monetary penalties in response to Blake's alleged violations of Tenn. Code Ann. §§ 56-6-112(a)(1), (2), (3), (9) and 56-6-119(a). After consideration of the argument of counsel and the record in this matter, it is determined that Blake's License should be **REVOKED** and Blake should be **ORDERED** to pay a Five Thousand Dollar ($5,000) civil penalty.

This decision is based upon the below Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. On September 23, 2014, Blake applied to renew her resident insurance producer license, number 2085549, with the Division.

2. The Agent Licensing Section of the Tennessee Department of Commerce and Insurance ("the Department") conducted a review of Blake's insurance producer file and found that Blake had several non-resident insurance producer licenses revoked or surrendered in other states.

3. Blake's non-resident insurance license in Kansas was revoked on June 26, 2013 for several violations of Kansas' insurance laws, including: misrepresenting the provisions, terms, and conditions of insurance contracts; making false or fraudulent statements or representations on applications for insurance; and using fraudulent, coercive, and/or dishonest practices and demonstrating a lack of trustworthiness.

4. Blake's Kentucky insurance license was revoked on September 23, 2013 for violating Kentucky's insurance laws, including: making false or fraudulent statements or representations on applications for insurance; intentionally misrepresenting the terms of an actual or proposed insurance contract; having admitted to or been found to have committed any unfair insurance trade practice; and having a license revoked in another state.

5. On or about September 27, 2013, the California Department of Insurance ("CDI") revoked Blake's insurance producer license based on the revocation of Blake's license in Kansas and Blake's failure to inform the CDI of the revocation.

6. On or about January 22, 2014, Blake entered into a Consent Order with the State of Florida, Department of Financial Services ("Florida") which was initiated by an investigation in which Florida alleged Blake failed to report an administrative action to Florida within thirty

(30) days after the final disposition, in violation of Florida statutes. Pursuant to the Consent Order, Blake surrendered her non-resident insurance producer license.

7. After having her non-resident license revoked or surrendered in other states, Blake applied for renewal of her resident insurance license with the Tennessee Department. Blake did not disclose the prior administrative actions on her renewal application that she submitted to the Department. Further, Blake answered, "No," to the question, "Have you been named or involved as a party in an administrative proceeding regarding any professional or occupational license or registration, which has not been previously reported to this state?"

CONCLUSIONS OF LAW

1. Tenn. Code Ann. § 56-6-112(a) authorizes the Commissioner to place on probation, suspend, revoke, or refuse to issue or renew a license issued under Title 56, Chapter 6, Part 1 and/or levy a monetary civil penalty for:

> (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;[and,]
>
> ....
>
> (9) Having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory[.]
>
> ....

2. Tenn. Code Ann. § 56-6-119(a) states 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.

3. Tenn. Code Ann. § 56-6-112(g) provides, in pertinent part, that 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, the Commissioner finds that any person required to be licensed, permitted, or authorized by the Division of Insurance has violated any statute, rule or order, the Commissioner may 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.

4. Tenn. Code Ann. § 56-6-112(h) provides that the Commissioner shall consider the following in determining the amount of penalty to assess:

(1) Whether the person could have reasonably 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.

5. It is **CONCLUDED** that the Division met its burden of proof by a preponderance of the evidence that Blake provided incorrect and untrue information on her license application when applying for renewal with the Department, in violation of Tenn. Code Ann. § 56-6-112(a)(1).

6. It is **CONCLUDED** that the Division met its burden of proof by a preponderance of the evidence that Blake violated the law of another state's Commissioner by misrepresenting the provisions, terms, and conditions of insurance contracts; making false or fraudulent statements or representations on applications for insurance; and using fraudulent, coercive, and/or dishonest practices and demonstrating a lack of trustworthiness in both Kansas and Kentucky in violation of Tenn. Code Ann. § 56-6-112(a)(2).

7. It is **CONCLUDED** that the Division met its burden of proof by a preponderance of the evidence that Blake attempted to obtain a Tennessee insurance producer license through misrepresentation or fraud by answering the renewal application untruthfully, in violation of Tenn. Code Ann. § 56-6-112(a)(3).

8. It is **CONCLUDED** that the Division met its burden of proof by a preponderance of the evidence that Blake had her insurance producer license revoked in Kansas, Kentucky, and California in violation of Tenn. Code Ann. § 56-6-112(a)(9).

9. It is **CONCLUDED** that the Division met its burden of proof by a preponderance of the evidence that Blake failed to report to the Tennessee Commissioner the revocation or surrender of her license in Kansas, Kentucky, California, and Florida in violation of Tenn. Code Ann. § 56-6-119(a).

10. Based on the above, it is hereby **ORDERED** that the Tennessee resident insurance producer license number 2085549 issued to Anastasia D. Blake is **REVOKED.** It is further **ORDERED** that Respondent Blake is **ORDERED** to **PAY** One Thousand Dollars ($1,000) for each violation stated above, for a total of **Five Thousand Dollars ($5,000),** to be paid within **twenty-four (24) months** of the final execution of this Order.

This Initial Order entered and effective this 31st day of July/~~August~~ 2015.

Mattielyn B. Williams
Administrative Law Judge

Filed in the Administrative Procedures Division, Office of the Secretary of State, this ___ day of 31st July/~~August~~ 2015.

J. Richard Collier, Director
Administrative Procedures Division

APPENDIX A TO INITIAL ORDER
NOTICE OF APPEAL PROCEDURES

Review of Initial Order

This Initial Order shall become a Final Order (reviewable as set forth below) fifteen (15) days after the entry date of this Initial Order, unless either or both of the following actions are taken:

(1) A party files a petition for appeal to the agency, stating the basis of the appeal, or the agency on its own motion gives written notice of its intention to review the Initial Order, within fifteen (15) days after the entry date of the Initial Order. If either of these actions occurs, there is no Final Order until review by the agency and entry of a new Final Order or adoption and entry of the Initial Order, in whole or in part, as the Final Order. A petition for appeal to the agency must be filed within the proper time period with the Administrative Procedures Division of the Office of the Secretary of State, 8th Floor, William R. Snodgrass Tower, 312 Rosa L. Parks Avenue, Nashville, Tennessee, 37243-1102. (Telephone No. (615) 741-7008). See Tennessee Code Annotated, Section (T.C.A. §) 4-5-315, on review of initial orders by the agency.

(2) A party files a petition for reconsideration of this Initial Order, stating the specific reasons why the Initial Order was in error within fifteen (15) days after the entry date of the Initial Order. This petition must be filed with the Administrative Procedures Division at the above address. A petition for reconsideration is deemed denied if no action is taken within twenty (20) days of filing. A new fifteen (15) day period for the filing of an appeal to the agency (as set forth in paragraph (1) above) starts to run from the entry date of an order disposing of a petition for reconsideration, or from the twentieth day after filing of the petition, if no order is issued. See T.C.A. §4-5-317 on petitions for reconsideration.

A party may petition the agency for a stay of the Initial Order within seven (7) days after the entry date of the order. See T.C.A. §4-5-316.

Review of Final Order

Within fifteen (15) days after the Initial Order becomes a Final Order, a party may file a petition for reconsideration of the Final Order, in which petitioner shall state the specific reasons why the Initial Order was in error. If no action is taken within twenty (20) days of filing of the petition, it is deemed denied. See T.C.A. §4-5-317 on petitions for reconsideration.

A party may petition the agency for a stay of the Final Order within seven (7) days after the entry date of the order. See T.C.A. §4-5-316.

YOU WILL NOT RECEIVE FURTHER NOTICE OF THE INITIAL ORDER BECOMING A FINAL ORDER

A person who is aggrieved by a final decision in a contested case may seek judicial review of the Final Order by filing a petition for review in a Chancery Court having jurisdiction (generally, Davidson County Chancery Court) within sixty (60) days after the entry date of a Final Order or, if a petition for reconsideration is granted, within sixty (60) days of the entry date of the Final Order disposing of the petition. (However, the filing of a petition for reconsideration does not itself act to extend the sixty day period, if the petition is not granted.) A reviewing court also may order a stay of the Final Order upon appropriate terms. See T.C.A. §4-5-322 and §4-5-317.