

NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA



\$ 200.00

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

BEFORE THE  
COMMISSIONER OF INSURANCE

IN THE MATTER OF:

THE LICENSURE OF  
MARCELLA BARNES  
(NPN# 16886189)

Respondent.

ORDER AND  
FINAL AGENCY DECISION

Docket Number: 2308

**THIS MATTER** was heard on August 20, 2025, by the undersigned Hearing Officer, as designated by the Commissioner of Insurance pursuant to N. C. Gen. Stat. § 58-2-55. The administrative hearing was held in the Hearing Room of the North Carolina Department of Insurance located at 3200 Beechleaf Court, Raleigh, Wake County, North Carolina.

Petitioner, the Agent Services Division of the North Carolina Department of Insurance ("Petitioner" or "ASD"), was represented by Assistant Attorney General, Nicholas B. Sorensen. Matt Reck, Complaint Analyst with ASD ("Mr. Reck"), appeared and testified on behalf of Petitioner. Respondent, Marcella Barnes, ("Respondent") appeared *pro se* and testified on her own behalf.

Petitioner's Exhibits 1-14 were admitted into evidence.

The Petition for Administrative Hearing alleged that Respondent violated N.C. Gen Stat. §§ 58-33-32(k) for failure to report another state's administrative action, subjecting her to administrative action pursuant to 58-33-46(a)(2). See Pet'r's Ex. 1.

BASED UPON careful consideration of the evidence, arguments presented at the hearing by ASD, and upon the entire record in the proceeding, the Hearing Officer hereby makes the following Findings of Fact and Conclusions of Law:

**FINDINGS OF FACT**

1. The North Carolina Department of Insurance ("NCDOI") is a state agency responsible, in accordance with Chapter 58 of the North Carolina General

Statutes, for the enforcement of the insurance laws of North Carolina and for regulating and licensing insurance producers.

2. Subsections (b), (d), and (e) of N.C. Gen. Stat. § 58-2-69 provide authority to the Commissioner to give notice to any licensee by sending such notices by first-class mail at the address or addresses that a licensee provides to the Commissioner pursuant to N. C. Gen. Stat. § 58-2-69(b). Respondent provided the following address to the Commissioner (*see* Pet'r's Exs. 1, 2, and 4):

MARCELLA BARNES  
3401 BONAIRE DRIVE  
CHARLOTTE, NC 28208

3. Respondent had previously provided the following address to the Commissioner and the National Association of Insurance Commissioners:

MARCELLA BARNES  
503 E. 39<sup>TH</sup> ST.  
BALTIMORE, MD 21218-1902

4. The Affidavit of Service indicates that a copy of the Notice of Administrative Hearing ("Notice") and Petition were deposited with a designated delivery service, FedEx – Priority Overnight addressed to Respondent as indicated at the above addresses on July 31, 2025. Service of the Notice and the Petition was completed at the Maryland address on August 4, 2025. *See* Pet'r's Exs. 1 and 2.

5. At the hearing, Respondent affirmed that she received a copy of the Notice of Administrative Hearing and the attached Petition for Administrative Hearing.

6. Respondent holds an active resident Insurance Producer License with a line of authority for life insurance ("License"). Respondent's License was first active in North Carolina on January 10, 2025. Respondent previously held a non-resident insurance producer license from the Commissioner. *See* Pet'r's Exhibit 3.

7. Mr. Reck is a Complaint Analyst with ASD and, as part of his job responsibilities, handles enforcement files for ASD. Enforcement files include responding to complaints and handling Personalized Information Capture System Alerts ("PIC Alerts") received through the NAIC system. PIC Alerts are sent to NCDOI by NAIC if another state takes an administrative action against a North Carolina licensee and enters the information into the system.

8. Mr. Reck was assigned the PIC Alert which went out after Maryland issued a consent order dated March 18, 2025 (the "Consent Order"). Maryland entered this Consent Order as the final disposition of an administrative action onto



Respondent's Regulatory Information Retrieval System ("RIRS") report. *See* Pet'r's Ex. 5. Mr. Reck handled the investigation of Petitioner's enforcement file from initial assignment up until the date of the hearing. *See* Pet'r's Ex. 8.

9. Mr. Reck, as part of his enforcement investigation relating to Respondent, obtained a copy of Maryland's Consent Order. This Consent Order revoked Respondent's license in Maryland, denied a license application, and levied a \$100 fine. *See* Pet'r's Ex. 7.

10. Mr. Reck, during his investigation of the enforcement file relating to Maryland's Consent Order, reviewed various documents relating to Respondent. These documents included Respondent's state-based system licensee summaries (*see* Pet'r's Ex. 3), Respondent's NAIC state licensing reports from the Producer Database (*see* Pet'r's Ex. 4), Respondent's reports listed on RIRS (*see* Pet'r's Ex. 5), and Respondent's NIPR attachment warehouse (*see* Pet'r's Ex. 6).

11. When searching the NIPR attachment warehouse, Mr. Reck saw that Respondent had uploaded a closing letter from Maryland on March 20, 2025. This letter referenced the Consent Order, but it did not contain a copy of the Consent Order, nor did it describe the terms and underlying facts of the Consent Order. *See* Pet'r's Exs. 6 and 12.

12. Mr. Reck contacted Respondent on March 24, 2025, by sending correspondence to the e-mail address ([whatidomatter100@gmail.com](mailto:whatidomatter100@gmail.com)) she had provided to the Commissioner. *See* Pet'r's Exs. 3 and 4. This e-mail advised Respondent that NCDOI had been made aware of an administrative action from Maryland. Mr. Reck wrote that Respondent needed to provide a copy of the action to the Department. The e-mail requested that Respondent provide a written response and a copy of the Maryland Consent Order within ten days. Respondent did not respond to this e-mail or provide a complete copy of the Consent Order.

13. On April 4, 2025, Mr. Reck sent a second request for response to Respondent's e-mail address of record. Mr. Reck requested a response to the correspondence previously sent on March 24, 2025. The correspondence notified Respondent that the Petitioner would consider Respondent in violation of N.C. Gen. Stat. §§ 58-2-185 and 58-2-195 and may proceed with administrative action if she did not respond within ten (10) days. *See* Pet'r's Ex. 10.

14. On April 22, 2024, Mr. Reck sent correspondence to Respondent's e-mail address and mailed a copy of this correspondence to 3401 Bonaire Drive, Charlotte, NC 28208. Mr. Reck's correspondence informed Respondent that since she failed to properly report Maryland's Consent Order within 30 days of the effective date, she appeared to be in violation of N.C. Gen. Stat. §§ 58-33-46(a)(2) and 58-33-32(k). Mr.



Reck explained that the closing letter provided on March 20, 2025 (*see* Pet'r's Ex. 12), did not meet the requirements of N.C. Gen. Stat. § 58-33-32(k), because a copy of the Consent Order itself was required. This April 22, 2025, correspondence also informed Respondent that an informal conference had been scheduled for May 20, 2025, at 1:00 p.m., to discuss these allegations further. *See* Pet'r's Exs. 11 and 12.

15. On May 16, 2025, Mr. Reck e-mailed Respondent a reminder that an informal conference was scheduled for May 20, 2025. Respondent did not reply to this e-mail. *See* Pet'r's Ex. 13.

16. Mr. Reck attempted to hold the informal conference with Respondent and his supervisor, Nadine Scott, on May 20, 2025, at 1:00 p.m. to further discuss the improper reporting of Maryland's Consent Order. Respondent did not appear for the conference.

17. On May 30, 2025, Mr. Reck sent a proceed to hearing letter to Respondent by e-mail and first-class U.S. mail. This letter informed Respondent that due to her failure to respond to multiple attempts to informally resolve the matter, including her failure to attend the informal conference, that Petitioner would seek an administrative hearing. Mr. Reck alleged violation of N.C. Gen. Stat. §§ 58-33-32(k) as grounds for administrative action pursuant to 58-33-46(a)(2).

18. At the hearing, Mr. Reck testified on behalf of Petitioner and recounted his investigation. Mr. Reck testified that Respondent had been unresponsive to all communication attempts prior to the hearing.

19. Mr. Reck explained on direct testimony that administrative actions could be reported to the Commissioner either directly to ASD staff or through the NIPR attachment warehouse. He explained that a proper report required a copy of the order or consent order. According to Mr. Reck, the closing letter uploaded into the NIPR attachment warehouse was insufficient because it did not contain a copy of the Consent Order from Maryland which was the subject of this hearing.

20. On cross-examination, Mr. Reck reiterated that a complete copy of the March 18, 2025, Consent Order was required in order to properly report the administrative action from Maryland.

21. On cross-examination, Mr. Reck was questioned regarding the involvement of Dawne Pittman, an employee of Petitioner, and the January license application process. Mr. Reck testified that this matter was not related to her January 10, 2025, license application and that he was the only one who had been assigned to handle the enforcement case preceding this hearing. Mr. Reck testified

that Petitioner had not received a copy of the Consent Order and denied having received any communications from Ms. Pittman regarding the Maryland action.

22. On cross-examination, Mr. Reck was questioned regarding a prior voluntary settlement agreement reached between the parties. Mr. Reck explained that this matter was unrelated to that agreement and that the prior agreement involved a separate administrative action.

23. Respondent testified on her own behalf. She testified that she had uploaded a closing letter from Maryland which mentioned the March 18, 2025, Consent Order, and signaled the closure of the proceedings underlying that action. Respondent testified that she believed this was sufficient to report the action.

24. Respondent denied receipt of the e-mail correspondence from Mr. Reck. She acknowledged that the e-mail the correspondence had been sent to was correct but explained that due to having too many e-mails in her inbox, she could not receive any further e-mails.

25. On cross-examination, Respondent affirmed that 3401 Bonaire Drive, Charlotte, NC 28208 was her residential address. Respondent testified that she had contacted a member of the NC Department of Justice regarding this hearing and her administrative actions.

BASED UPON the foregoing Findings of Fact, the undersigned Hearing Officer makes the following:

#### **CONCLUSIONS OF LAW**

1. This matter is properly before the Commissioner. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Chapter 58 of the North Carolina General Statutes.

2. The undersigned finds proper service of the Notice of Administrative Hearing and the Petition for Administrative Hearing upon Respondent in this matter pursuant to N. C. Gen. Stat. § 58-2-69 (b), (d), and (e). Respondent attended the August 20, 2025, hearing, and affirmed receipt of the Notice of Administrative Hearing and Petition for Administrative Hearing. *See* Pet'r's Exs. 1 and 2.

3. N.C. Gen. Stat. § 58-33-32(k) requires an insurance producer to report to the Commissioner "any administrative action" taken against the producer in another state "within 30 days after the final disposition of the matter." The report



“shall include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the action.” *Id.*

4. Prior to the hearing, Respondent had not provided a complete copy of the Consent Order from Maryland to the Commissioner. Respondent had however, uploaded a closing letter from Maryland into the NIPR attachment warehouse on March 20, 2025. This closing letter mentioned that a consent order existed, but it did not provide documentation of the terms or underlying facts of the order. See Pet'r's Exs. 6 and 7.

5. Respondent failed to properly report the Maryland Consent Order taken against Respondent as required by N.C. Gen. Stat. § 58-33-32(k). The closing letter, which was uploaded on March 20, 2025, was insufficient as the language of N.C. Gen. Stat. § 58-33-32(k) requires a complete copy of the administrative action, and the closing letter did not describe the effects and underlying grounds of the Consent Order.

6. N.C. Gen. Stat. § 58-2-195 gives ASD the authority to require producers to request reports, records, and information. With this authorization, the Commissioner requires that licensees provide information to ASD “on demand,” pursuant to N.C. Gen. Stat. §§ 58-2-185 and 58-2-195.

7. Respondent was unresponsive to requests from Petitioner, made on behalf of the Commissioner, for documentation of the Maryland Consent Order on March 24, 2025, and on April 4, 2025. Additionally, Respondent failed to attend an informal conference and was unresponsive to correspondence from Petitioner on April 22, 2025, May 16, 2025, and May 30, 2025.

8. Respondent argued at the hearing that her e-mail was having technical issues due to having too many e-mails in her inbox and as a result she did not receive any of the e-mails sent by Mr. Reck and Petitioner. Respondent admitted however that the e-mail address used was her valid e-mail address and that it was the e-mail she had provided to the Commissioner for receiving correspondence under N.C. Gen. Stat. § 58-2-69. Additionally, some of the correspondence was sent to the residential address provided by Respondent. For these reasons, the undersigned is unpersuaded by Respondent's argument and cautions her on ensuring that addresses, including e-mail addresses, provided to the Commissioner are functional and up to date.

9. The undersigned finds that by failing to respond to multiple requests for information and records from Petitioner, which were sent to the e-mail and mailing address provided by Respondent pursuant to N.C. § Gen. Stat. 58-2-69(b), Respondent violated N.C. Gen. Stat. §§ 58-2-185 and 58-2-195.

10. N.C. Gen. Stat. § 58-33-46(a) provides grounds the Commissioner may “place on probation, suspend, revoke, or refuse to renew” a producer’s license.

11. Among other things, N.C. Gen. Stat. § 58-33-46(a)(2) authorizes disciplinary action if a licensee violates “any insurance law of this or any other state.”

12. By failing to properly report Maryland Consent Order within thirty (30) days of its final disposition, Respondent violated N.C. Gen. Stat. § 58-33-32(k), which is a North Carolina insurance law within the meaning of N.C. Gen. Stat. § 58-33-46(a)(2). By failing to respond to multiple requests for information and records from ASD, Respondent violated N.C. Gen. Stat. §§ 58-2-185 and 58-2-195 which are also North Carolina insurance laws within the meaning of N.C. Gen. Stat. § 58-33-46(a)(2).

13. The record supports a finding that Respondent engaged in conduct that justifies disciplinary action under N.C. Gen. Stat. § 58-33-46(a)(2).

14. N.C. Gen. Stat. § 58-2-70(c) provides that if the Commissioner finds a violation authorizing disciplinary action, “the Commissioner may, in addition to or instead of suspending or revoking the license or certification, order the payment of a monetary penalty....” Such monetary penalties shall not be less than \$100 nor more than \$1,000 per violation, with each day during which a violation occurs constituting a separate violation.

15. Respondent violated the insurance laws of North Carolina within the meaning of N.C. Gen. Stat. § 58-2-70 by failing to properly report the March 18, 2025, Maryland Consent Order as required by N.C. Gen. Stat. § 58-33-32(k), within thirty (30) days of its final disposition, and by failing to provide documents requested by Petitioner on behalf of the Commissioner pursuant to N.C. Gen. Stat. §§ 58-2-185 and 58-2-195.

BASED UPON the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer enters the following:

### **ORDER**

BASED UPON the foregoing Findings of Fact and Conclusions of Law, including the Commissioner’s finding that Respondent violated N.C. Gen. Stat. § 58-33-32(k), which authorizes disciplinary action, it is hereby ORDERED that:

Pursuant to N.C. Gen. Stat. § 58-33-32(k), Respondent shall provide a complete copy of the March 18, 2025, Consent Order, from the Maryland Insurance Administration to the North Carolina Department of Insurance. The copy may be

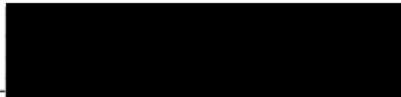


uploaded into the NIPR attachment warehouse or provided directly to ASD staff. The copy shall be provided within thirty days from the issuance of this Order.

Pursuant to N.C. Gen. Stat. § 58-2-70(c), Respondent shall make payment of a monetary penalty of two hundred dollars (\$200.00), by certified check or money order made payable to the "North Carolina Department of Insurance." The certified check or money order must be **dated on or before thirty days after this Order is signed** and received by the North Carolina Department of Insurance, Agent Services Division (Attention: Matt Reck, ASD), 1204 Mail Service Center, Raleigh, N.C. 27699-1204.

PLEASE TAKE NOTICE that, pursuant to N.C. Gen. Stat. § 58-33-46(a)(2), failure to comply with the requirements of this Order and Final Agency Decision, including meeting the payment and deadlines set out herein relating to the monetary penalty, may result in the revocation of Respondent's North Carolina licenses for violation of an Order of the Commissioner.

This 17<sup>th</sup> day of November, 2025.

  
\_\_\_\_\_  
Kyle Hetser  
Hearing Officer  
N.C. Department of Insurance



### APPEAL RIGHTS

This is a Final Agency Decision issued under the authority of N. C. Gen. Stat. § 150B, Article 3A.

Under the provisions of N. C. Gen. Stat. § 150B-45, any party wishing to appeal a final decision of the North Carolina Department of Insurance must file a Petition for Judicial Review in the Superior Court of the County where the person aggrieved by the administrative decision resides, or in the case of a person residing outside the State, the county where the contested case which resulted in the final decision was filed. The appealing party must file the petition within 30 days after being served with a written copy of the Order and Final Agency Decision. In conformity with 11 NCAC 1.0413 and N.C.G.S. § 1A-1, Rule 5, this Order and Final Agency Decision was served on the parties on the date it was placed in the mail as indicated by the date on the Certificate of Service attached to this Order and Final Agency Decision. N. C. Gen. Stat. § 150B-46 describes the contents of the Petition and requires service of the Petition on all parties. The mailing address to be used for service on the Department of Insurance is: Amy Funderburk, General Counsel, 1201 Mail Service Center, Raleigh, NC 27699-1201.

**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that I have this day served the foregoing **ORDER and FINAL AGENCY DECISION** by mailing a copy of the same via certified U.S. Mail, return receipt requested; and via first class U.S. mail to the Respondent at the addresses the licensee provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b), (d) and (e); via courtesy e-mail to Respondent; and via State Courier to Attorney for Petitioner addressed as follows:

Marcella Barnes  
3401 Bonaire Drive  
Charlotte, NC 28208  
[whatidomatter100@gmail.com](mailto:whatidomatter100@gmail.com)  
(Respondent)


**Certified Mail Tracking Number: 9589 0710 5270 2684 3151 56**

Marcella Barnes  
503 E. 39<sup>TH</sup> St.  
Baltimore, MD 21218-1902  
(Respondent)

**Certified Mail Tracking Number: 9589 0710 5270 2684 3151 63**

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(Attorney for Petitioner)

This the 17<sup>th</sup> day of November, 2025

  
Raheema I. Moore  
Clerk of Court for Administrative Hearings  
Paralegal III  
N.C. Department of Insurance  
General Counsel's Office  
1201 Mail Service Center  
Raleigh, NC 27699-1201