

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE
COMMISSIONER OF INSURANCE

IN THE MATTER OF:

THE LICENSURE OF
THE BLACK SQUARED GROUP
COMPANY
(NPN #21071115)

Respondent.

ORDER AND
FINAL AGENCY DECISION

Docket Number: 2258

THIS MATTER was heard on February 10, 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 at the North Carolina Department of Insurance, located at 3200 Beechleaf Court, Raleigh, Wake County, North Carolina. Assistant Attorney General Rebecca E. Lem represented the North Carolina Department of Insurance (hereinafter “Department”), Agent Services Division (hereinafter “Petitioner” or “ASD”). Respondent, The Black Squared Group Company (hereinafter, “Respondent”) did not appear and was not represented by counsel at the hearing.

Petitioner’s motion to amend the Petition previously filed on January 30, 2025 to correct Respondent’s domicile state was granted by written order dated January 31, 2025. *See* Pet’r Exs. 1b and 1c.

Petitioner’s motion for the imposition of sanctions, pursuant to 11 NCAC 01.0423(a), due to Respondent’s failure to respond at the hearing was DENIED. The undersigned hearing officer proceeded to accept and consider testimony and evidence offered by ASD in support of its Petition at the hearing.

Dawne Pittman, Licensing Regulatory Analyst for ASD of the North Carolina Department of Insurance testified for the Petitioner. Petitioner introduced Exhibits 1 through 8 into evidence.

BASED UPON the careful consideration of the allegations set forth in the Notice of Administrative Hearing (“Notice”) and attached Petition for Administrative

Hearing ("Petition") in this matter, as well as documentary and testimonial evidence introduced at the hearing, the undersigned Hearing Officer hereby makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Department is a state agency, responsible for the enforcement of insurance laws and regulating and licensing insurance agents in accordance with Chapter 58 of the North Carolina General Statutes.
2. The Notice and attached Petition, Motion to Amend Petition with attached Amended Petition, Order Granting Motion to Amend Petition, and the Affidavit of Service were admitted into evidence as administrative exhibits. *See* Pet'r Exs. 1a- 2.
3. Respondent is a licensed business entity domiciled in New Jersey, with a mailing address in New York. Respondent's designated responsible licensed person ("DRLP"), pursuant to N.C. Gen. Stat. § 58-33-31(b)(2), is Antoine Dwayne Johnson, a resident of New Jersey who holds a non-resident producer license issued by the Department, National Producer Number 19437559. *See* Pet'r Exs. 3- 5.
4. The Department has the authority and responsibility for the enforcement of insurance laws of this State and for regulating and licensing insurance business entities. Respondent holds a business entity license, National Producer Number 21071115, first active on or about February 29, 2024. *See* Pet'r Ex. 3.
5. Licensing Regulatory Analyst Dawne Pittman ("Ms. Pittman") is a licensing analyst for the Agent Services Division. Her job duties that pertain to this matter include reviewing licensing application-related matters, including instances involving payment problems with license application fees.
6. Ms. Pittman testified that she first became aware of the matter involving Respondent when she received an e-mail notification from the National Insurance Producers Registry ("NIPR") on April 18, 2024, that Respondent's payment of \$149.60 for application fees from its license application submitted on February 29, 2024 had been rejected by its financial institution for an invalid account number. *See* Pet'r Ex. 6a and 6b.
7. Ms. Pittman explained how license application fees are collected by the NIPR during the online application process, and that the NIPR is the affiliate of the National Association of Insurance Commissioners ("NAIC") which receives these applications and electronic payments.

8. The Commissioner of the Department has assigned the NAIC as the Department's designee for the purpose of receiving electronic documents, including applications, and associated electronic payments, pursuant to N.C. Gen. Stat. § 58-2-250(a).

9. Ms. Pittman explained that Respondent electronically submitted its application for a business entity license through the NIPR on or about February 29, 2024. Respondent's NC producer license application required payment of \$149.60, which included a \$144.00 licensing fee ("State fees") for the State of North Carolina and a \$5.60 application fee (also called "transaction fee"). These fees shall be referred to collectively as the "license application fees." Respondent paid its license application fees through "OCheque". See Pet'r Ex. 5. Ms. Pittman explained that "OCheque" is an electronic check, where the individual's bank account is debited.

10. Ms. Pittman explained that, of the \$149.60 due from Respondent for its license application fees, the \$5.60 transaction fee is collected and kept by the NIPR. The \$144.00 State fees were sent by NIPR to the Department. The Department then pays its application processing vendor, Pearson Vue, \$44.00, and the Department retains the remaining \$100 license application fee.

11. Prior to notifying the Department of the problem with Respondent's payment for application fees, the NIPR sent invoices and notifications to Respondent attempting to collect payment for the outstanding \$149.60 license application fees on March 12, 2024 and March 25, 2024. See Pet'r Ex. 6c and 6d. Respondent did not subsequently pay the fees to the NIPR.

12. Ms. Pittman explained that in some cases where an individual applies for a producer license, the license is issued almost immediately after an application is submitted, before the NIPR would receive notice that an electronic payment was rejected by a financial institution. In this case, because Respondent had answered "no" to all of the license screening questions, the business entity license issued without delay. See Pet'r Ex. 5.

13. On May 31, 2024, Ms. Pittman sent a letter and e-mail to Respondent notifying it that its application fee payment had been declined by its financial institution. The letter noted that Respondent must pay its application fee to the NIPR within ten (10) business days and provided instructions on how to do so. See Pet'r Ex. 7a. Respondent did not subsequently pay the license application fees and did not respond to this letter.

14. On July 12, 2024, Ms. Pittman sent another letter and e-mail to Respondent scheduling an informal conference to discuss Respondent's non-payment of the required license application fees by telephone on August 12, 2024 at 10:30 a.m. See Pet'r Ex. 7b.

15. On August 12, 2024 at the appointed time, Ms. Pittman and her supervisor, Assistant Deputy Commissioner Elizabeth Parsons ("Ms. Parsons") attempted to call Respondent. Ms. Parsons entered a note into the "Enforcement Summary", which is a record where documents and notes are attached for ASD case files. Ms. Parsons' note entered for this date states, "D Pittman and E Parsons called on 8/12/2024 for previously scheduled informal conference related to payment of \$149.60 which returned unpaid due to invalid account number. Called [phone number omitted] and received no answer. Left message to call back. Called Antoine Johnson phone [phone number omitted] and received message that voice mail not set up yet." See Pet'r Ex. 8.

16. Ms. Pittman testified that no individual employed by Respondent returned the phone call as a result of the voicemail message left during the informal conference attempt.

17. On August 15, 2024, Ms. Pittman sent a letter and e-mail to Respondent noting the failed informal conference attempt, the outstanding license application fees still due of \$149.60, and noted that this matter would be referred for an administrative hearing. This letter and e-mail also included the option for Respondent to surrender its license and included a surrender form. See Pet'r Ex. 7c.

18. On November 7, 2024, Ms. Pittman sent another e-mail and letter, this time addressed specifically to Antoine Johnson, the DRLP for Respondent, that contained corrected statutory and rule citations. This letter noted the Department's previous attempts to contact Respondent by e-mail, phone, and U.S. mail, and noted that this matter would be referred to an administrative hearing. The letter and e-mail again included a surrender form and noted that Respondent could choose to surrender its license.

19. Ms. Pittman explained that the Department has lost money due to Respondent's failure to pay his application fees, because the Department had to pay NIPR back in the amount of \$144.00, which included payment to Pearson Vue for the \$44 fee for processing Respondent's application, and the \$100.00 in annual license fees that should have been received by the Department for the business entity license. Additionally, the NIPR lost the \$5.60 transaction fee when Respondent's financial institution rejected the application fee payment due to insufficient funds.

20. Ms. Pittman testified that she eventually was able to speak to Respondent's DRLP, Mr. Johnson. Ms. Pittman's notes indicated that she was in contact with Mr. Johnson on January 24, 2025, and that Mr. Johnson indicated that he wanted to pay the outstanding application fees. Ms. Pittman gave him the information to do so. Ms. Pittman testified that she contacted the NIPR and asked them to enable payment, and the NIPR informed Ms. Pittman that she would get

notification if payment was made.

21. Ms. Pittman testified that, during her January 24, 2025 phone call with Mr. Johnson, she asked him why he had not responded to ASD's letters, e-mails, and phone calls. Mr. Johnson stated he did not know about these, but nevertheless verified with Ms. Pittman that all of the contact information the Department had on file was up to date and correct.

22. Ms. Pittman testified that the morning of this hearing, February 10, 2025, she contacted the NIPR and was informed that Respondent had not paid its license application fee.

23. Ms. Pittman testified that ASD is requesting revocation of the license, and that she felt a monetary penalty would be appropriate because the Department has lost money as a result of Respondent's failure to pay its license application fee. Ms. Pittman noted that the direct monetary loss to the Department was \$144.00, which included the \$100 business entity license fee and the \$44 application processing fee.

CONCLUSIONS OF LAW

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

2. The Notice of Administrative Hearing was properly served on Petitioner pursuant to N.C. Gen. Stat. § 58-2-69(d) and (e) and Rule 4 of the North Carolina Rules of Civil Procedure. *See* Pet'r Ex. 1a and 2.

3. The evidence presented shows that the Respondent was required to pay a license application fee totaling \$149.60, payable electronically through the NIPR upon Respondent's application for a Non-Resident Producer license, that included the following:

- a. A \$100.00 annual fee for business entities as set forth in N.C. Gen. Stat. § 58-33-125(a).
- b. A \$44.00 initial application processing fee as authorized by N.C. Gen. Stat. § 58-2-250(c) and 11 NCAC 06A .0201. This fee was paid to Pearson Vue, the contracted application processing vendor for the Department.
- c. A \$5.60 transaction fee to the NIPR, which is the third-party vendor as authorized by N.C. Gen. Stat. § 58-2-69(g), pursuant to N.C. Gen. Stat. § 58-2-250(c), and 11 NCAC 06A .0201.

4. The evidence presented shows that Respondent's payment for the license application fee of \$149.60, made by "O'Cheque" during the electronic license application process, was rejected by its financial institution for an invalid account number. Respondent never provided valid payment for its license application fees, which remain unpaid.

5. Pursuant to N.C. Gen. Stat. § 58-2-250(a), the NIPR is a designee of the Commissioner with the authority to oversee the electronic filing of insurance producer license applications. Pursuant to N.C. Gen. Stat. § 58-2-250(c), as the Commissioner's designee, the NIPR is authorized to charge administrative fees for electronic filing. These administrative fees may include a transaction fee, credit card processing fee, or other bank processing fee pursuant to 11 NCAC 06A.0201(a), and such fees are to be paid at the time of the electronic filing transaction by electronic payment options including electronic check, credit card, automated clearing house (ACH), or electronic funds transfer (EFT). O'Cheque is a form of electronic check. The administrative fee charged by the NIPR in this matter was \$5.60, which has not been paid by the Respondent.

6. Pursuant to N.C. Gen. Stat. § 58-33-125(a), an applicant for a business entity license must pay an annual fee of \$100.00 to the Commissioner upon application for licensing. Respondent was required to pay \$100.00 pursuant to N.C. Gen. Stat. § 58-33-125(a), which has not been paid.

7. Pursuant to and as authorized by N.C. Gen. Stat. § 58-2-69(g), and 11 NCAC 06A.0201(a), Respondent was required to pay a \$44.00 application processing fee which is paid to the third-party vendor, Pearson Vue, and a \$5.60 transaction fee to NIPR, which has not been paid.

8. Pursuant to N.C. Gen. Stat. § 58-33-31(b)(1), a condition for a business entity to receive a business entity license includes payment of the applicable fees required N.C. Gen. Stat. § 58-33-125. Respondent has not met this condition for licensure because he has not paid the applicable license fees due pursuant to N.C. Gen. Stat. § 58-33-125.

9. The evidence presented at the hearing shows that Respondent has failed to pay any of the required fees for licensure pursuant to N.C. Gen. Stat. §§ 58-2-69(g), 58-33-31(b)(1), 58-33-125(a), 58-2-250(a) and (c), and 11 NCAC 06A.0201(a), despite numerous requests and opportunities to do so by both the NIPR and ASD. Respondent has failed to respond to any correspondence or inquiries by ASD and failed to attend a telephonic informal conference up until his first contact with ASD on January 24, 2025. At that time, Respondent's DRLP, Mr. Johnson, indicated that he would like to pay the application fee, and despite being given another opportunity to do so, Respondent did not pay the fee.

10. The Department has lost \$144.00 due to Respondent's failure to pay the required licensure fees pursuant to N.C. Gen. Stat. §§ 58-2-69(g), 58-33-31(b)(1), 58-33-125, 58-2-250(a), and 11 NCAC 06A.0201(a), including \$44.00 which was paid by the Department to Pearson Vue, and \$100.00 that was due to the Department for the annual business entity fee. Additionally, the NIPR has lost \$5.60 due to the unpaid transaction fee.

11. N.C. Gen. Stat. § 58-33-46(a)(2) states that the Commissioner may place on probation, suspend, or revoke the license of a licensee that has violated any insurance law of this or any other state, violated any administrative rule, subpoena, or order of the Commissioner or of another state's insurance regulator, or violated any rule of FINRA.

12. Pursuant to N.C. Gen. Stat. § 58-33-46(a)(3), a licensee's license may be subject to disciplinary action for obtaining or attempting to obtain a license through misrepresentation or fraud. When Respondent entered payment information into the online application form, it made a representation that the account number entered was valid and that it had funds available to pay the application fee. This representation was false, as evinced by the payment being rejected for an invalid account number, and by Respondent's continued failure to honor its obligation to pay the application fees despite numerous notices that these remained due.

13. Pursuant to N.C. Gen. Stat. § 58-33-46(a)(8), a licensee's license may be subject to disciplinary action for demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere. Respondent's failure to pay its licensure fees as set forth above, as well as its continued failure to do so after multiple reminders and opportunities to do so, constitute incompetence and financial irresponsibility in the conduct of business.

14. Pursuant to N.C. Gen. Stat. § 58-33-46(a)(17), a licensee's license may be subject to disciplinary action for any cause for which issuance of the license could have been refused had it then existed and been known to the Commissioner at the time of issuance. Respondent's license would have been refused for failure to pay the required licensure fees had the Department known Respondent had not provided valid payment at the time of its license application, and therefore this is cause for revocation.

15. N.C. Gen. Stat. § 58-2-70 authorizes the Commissioner to order the payment of a monetary penalty upon a finding of a violation of Chapter 58 of the North Carolina General Statutes. The Department has suffered a financial loss due to Respondent's violations of §§ 58-33-125(a), 58-2-69(g), 58-33-46(a)(2), (3), (8), & (17) and 11 NCAC 06A.0201(a) when he failed to pay his license fees. A financial penalty is therefore appropriate in this matter.


Based on the foregoing Findings of Fact and Conclusions of Law, the undersigned Hearing Officer enters the following:

ORDER

It is ordered that Respondent's licenses issued by the North Carolina Department of Insurance are hereby REVOKED effective as of the date of the signing of this order.

It is further ordered that, pursuant to N.C. Gen. Stat. § 58-2-70(c), Respondent shall make payment of a monetary penalty of one hundred and forty-four dollars (\$144.00), by certified check made payable to the "North Carolina Department of Insurance." The certified check must be received by the North Carolina Department of Insurance, Agent Services Division (Attention: Nadine Scott, ASD), 1204 Mail Service Center, Raleigh, N.C. 27699-1204 no later than sixty days from the date of this Order. Failure to timely pay this monetary penalty is a violation of an Order of the Commissioner and may be considered cause for future license denial by the Department, and may be cause for other legal recourse required to collect this monetary penalty.

This the 27 day of June, 2025.


Kyle Heuser
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 01.0413 and N.C. Gen. Stat. § 1 A-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, including explicitly stating what exceptions are taken to the decision or procedure and what relief the petitioner seeks, and requires service of the Petition by personal service or by certified mail upon all who were parties of record to the administrative proceedings. 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; via first class U.S. mail to the licensee, at the addresses provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b); and via State Courier to Attorney for Petitioner, addressed as follows:

The Black Squared Group
ATTN: DRLP Antoine Dwayne Johnson
14 Wall Street, FL 20
New York, NY 10005
(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 0742 5907 43

The Black Squared Group
ATTN: DRLP Antoine Dwayne Johnson
1 Gateway Center
Suite 2600
Newark, NJ 07102
(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 0742 5907 50

The Black Squared Group
ATTN: DRLP Antoine Dwayne Johnson
1 Gateway Center
Suite 2200
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(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 0742 5907 67

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(Attorney for Petitioner)

This the 27th day of June, 2025.



Raheema I. Moore
Clerk of Court for Administrative Hearings
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