

**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**

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**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF THE LICENSURE
OF DEREK U. EZZELL
LICENSE NO. 6601469**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, Derek U. Ezzell (hereinafter "Mr. Ezzell"), Derek Ezzell Insurance Services, Inc. (hereinafter "DEIS"), and the Agent Services Division of the North Carolina Department of Insurance (hereinafter "Agent Services Division"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Agent Services Division regulates and licenses insurance agents in North Carolina; and

WHEREAS, Mr. Ezzell currently holds a resident insurance producer license with authority for Casualty, Property, Accident & Health or Sickness, Life, and Medicare Supplement/Long Term Care lines of insurance issued by the North Carolina Department of Insurance, License No. 6601469; and

WHEREAS, Mr. Ezzell is the owner, president and designated responsible licensed producer for DEIS, a North Carolina corporation which holds a business entity insurance producer license issued by the North Carolina Department of Insurance, License No. 3002251963; and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(8) authorizes the North Carolina Insurance Commissioner to suspend, revoke, place on probation, or refuse to renew any license should a licensee "us[e] fraudulent, coercive, or dishonest practices" or "demonstrat[e] incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere."

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(10) authorizes the North Carolina Insurance Commissioner to suspend, revoke, place on probation, or refuse to renew any license where the licensee "forg[es] another's name to an application for insurance or to any document related to an insurance transaction."

WHEREAS, on July 11, 2023, the Agent Services Division received a complaint against Mr. Ezzell submitted by John Jacob Barker of Concord, N.C., alleging that Mr. Ezzell forged Mr. Barker's signature on an insurance application and related documents submitted to Southern Farm Bureau Life Insurance Company ("SFBLIC") on or about April 25, 2023; and

WHEREAS, Mr. Barker alleged that he did not authorize Mr. Ezzell to sign the insurance application and related documents on Mr. Barker's behalf, and advised the Agent Services Division that he did not instruct Mr. Ezzell to proceed with converting \$50,000 of Mr. Barker's existing SFBLIC term life policy to a whole life policy; and

WHEREAS, a writing purporting to be Mr. Barker's signature was affixed to the SFBLIC Policy Delivery Receipt document dated March 22, 2023 that was countersigned by Mr. Ezzell, and additionally affixed to the SFBLIC Life Insurance Policy Illustration – Revised document dated March 22, 2023 also certified and signed by Mr. Ezzell; and

WHEREAS, by his signature on the March 22, 2023 SFBLIC Life Insurance Policy Illustration – Revised document, Mr. Ezzell certified that the document "has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration[;]" and

WHEREAS, in response to Mr. Barker's complaint, Mr. Ezzell provided a written statement to SFBLIC admitting that Mr. Ezzell did not "go to Mr. Barker's home or send him an email to confirm his signature on the application and 'clicked to sign' [Mr. Barker's] signature[;]" and

WHEREAS, in response to Mr. Barker's complaint, SFBLIC compared the purported signatures of Mr. Barker affixed to the March 22, 2023 SFBLIC Policy Delivery Receipt document and March 22, 2023 SFBLIC Life Insurance Policy Illustration – Revised document to Mr. Barker's signatures on earlier insurance application documents and concluded that the signatures were identical to Mr. Barker's signatures on SFBLIC application documents submitted in 2020; and

WHEREAS, Mr. Ezzell admits that he used a free note-taking application called "Notability" to cut and paste Mr. Barker's signatures from prior policy application documents to the March 22, 2023 SFBLIC Policy Delivery Receipt document and March 22, 2023 SFBLIC Life Insurance Policy Illustration – Revised document; and

WHEREAS, as a result of Mr. Ezzell's actions and the unauthorized conversion transaction, SFBLIC drafted a larger than expected amount from Mr. Barker's bank account in April 2023, causing an overdraft; and

WHEREAS, on or about July 14, 2023, SFBLIC reversed the unauthorized conversion transaction, restored Mr. Barker's term life policy to its original face amount, and refunded Mr. Barker all premium paid for the conversion, less the amount necessary to bring the original term life policy current at the restored face amount; and

WHEREAS, an August 4, 2023 audit of Mr. Ezzell's book of business by SFBLIC found cut and paste signature concerns for policies issued to 15 other North Carolina consumers; and

WHEREAS, Mr. Ezzell subsequently obtained affidavits from 12 of the 15 consumers identified in the SFBLIC audit affirming that they gave Mr. Ezzell authority and permission to use their digital signatures on documents deemed necessary by Mr. Ezzell to affect their wishes and directions concerning insurance policies purchased through Mr. Ezzell; and

WHEREAS, Mr. Ezzell admits that copying Mr. Barker's signatures from prior application documents using the "Notability" application and pasting those signatures to the March 22, 2023 SFBLIC Policy Delivery Receipt document and March 22, 2023 SFBLIC Life Insurance Policy Illustration – Revised document without Mr. Barker's express authority, was a dishonest practice demonstrating untrustworthiness and financial irresponsibility in the conduct of business in this State that would otherwise justify adverse administrative action against his license and the license of DEIS under N.C. Gen. Stat. § 58-33-46(a)(8); and

WHEREAS, Mr. Ezzell admits that his actions in affixing copies of Mr. Barker's signatures to the March 22, 2023 SFBLIC Policy Delivery Receipt document and March 22, 2023 SFBLIC Life Insurance Policy Illustration – Revised document without Mr. Barker's express authority would also otherwise justify adverse administrative action against his license and the license of DEIS under N.C. Gen. Stat. § 58-33-46(a)(10);

WHEREAS, on August 1, 2024, Mr. Ezell pled guilty to one count of misdemeanor larceny in violation of N.C. Gen. Stat. § 14-72(a) in *State v. Derek Urban Ezzell*, File No. 23-CRS-404743 in the General Court of Justice, Superior Court Division, Cabarrus County, North Carolina, in connection with the above-referenced conduct;

WHEREAS, on August 1, 2024, Mr. Ezzell was sentenced to 45 days imprisonment, which active sentence was suspended and Mr. Ezzell was placed on 12 months unsupervised probation by the Honorable Michael D. Duncan;

WHEREAS, on August 2, 2024, Mr. Ezzell reported his misdemeanor conviction to the Commissioner, as required by N.C. Gen. Stat. § 58-2-69(c), by uploading a copy of the August 1, 2024 Judgement Suspending Sentence in *State v. Derek Urban Ezzell*, File

No. 23-CRS-404743 (Cabarrus Co.) to the attachment warehouse of the National Insurance Producer Registry;

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(2) provides that the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew any license issued under Article 58 of the General Statutes of North Carolina for violating any insurance law of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or of another state's regulator; and

WHEREAS, 11 N.C. Admin. Code 4.0122 provides that "[e]xcept for authorizations given in accordance with G.S. 58-45-35(a) or G.S. 58-46-15, no agent, broker, or limited representative shall solicit a power-of-attorney from a consumer that authorizes the agent, broker, or limited representative to sign insurance related forms[;]" and

WHEREAS, Mr. Ezzell admits that his practice of requesting that North Carolina consumers grant him authority to sign insurance related documents on the consumers' behalf violated 11 N.C. Admin. Code 4.0122 because the regulation bars insurance producers from soliciting such authority from consumers except in certain limited situations not applicable here; and

WHEREAS, Mr. Ezzell admits that Mr. Ezzell's and DEIS' violations of 11 N.C. Admin. Code 4.0122 would otherwise justify adverse administrative action against the licenses of Mr. Ezzell and DEIS under N.C. Gen. Stat. § 58-33-46(a)(2); and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(6) provides that the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew any license issued under Article 58 of the General Statutes of North Carolina for "[h]aving been convicted of a felony or a misdemeanor involving dishonesty, a breach of trust, or moral turpitude[;]" and

WHEREAS, Mr. Ezzell admits that on August 1, 2024 he was convicted of misdemeanor larceny in violation of N.C. Gen. Stat. § 14-72(a), a crime involving dishonesty, a breach of trust, or moral turpitude, in *State v. Derek Urban Ezzell*, File No. 23-CRS-404743 (Cabarrus Co.), which would otherwise justify adverse administrative action against the licenses of Mr. Ezzell and DEIS under N.C. Gen. Stat. § 58-33-46(a)(6); and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), Agent Services Division, as an authorized designee of the Commissioner of Insurance, has express authority to negotiate a mutually acceptable agreement with any person as to the status of the person's North Carolina insurance license, or as to any civil penalty or restitution; and

WHEREAS, Mr. Ezzell has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of himself, and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on the violations described above in this Agreement or in the September 6, 2023 letter attached hereto as Exhibit A; and

WHEREAS, this Agreement is civil in nature and does not preclude criminal prosecution that may result from investigations, if any, conducted by the North Carolina Department of Insurance's Criminal Investigation Division for violation of criminal laws; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Agent Services Division initiates an administrative hearing; and have reached a mutually agreeable resolution of this matter as set out in this Agreement.

NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, Mr. Ezzell and the Agent Services Division hereby agree to the following:

1. Mr. Ezzell agrees to a six (6) month suspension of his North Carolina resident producer's license and DEIS' business entity insurance producer license beginning on September 1, 2024. During this six month period, Mr. Ezzell and DEIS shall not engage in activities requiring a North Carolina insurance producer license. Mr. Ezzell may engage in administrative activities that do not require a license.
2. Upon signing this Agreement, Mr. Ezzell shall pay a civil penalty of three thousand dollars (**\$3,000.00**) to the Agent Services Division. The form of payment shall be by certified check, cashier's check or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance."
3. Together with the civil penalty payment, Mr. Ezzell shall return a signed copy of this Agreement by hand delivery or U.S. Certified Mail, return receipt requested, addressed to "NCDOI Agent Services Division (Attention: Tommy Walls), 1204 Mail Service Center, Raleigh, N.C. 27699-1204." **The civil penalty and the signed Agreement must be received by the Department no later than Friday, August 30, 2024.** The civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.
4. This Agreement does not in any way affect the North Carolina Department of Insurance's or the Agent Service Division's disciplinary power in any future examination of DEIS, or in any other complaints involving Mr. Ezzell or DEIS.

5. Mr. Ezzell enters into this Agreement, on behalf of himself, freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Ezzell understands he may consult with an attorney prior to entering into this Agreement.
6. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Ezzell understands that N.C. Gen. Stat. § 58-33-46(a)(2) provides that an insurance producer's or broker's license may be revoked for violating an Order of the Commissioner.
7. This Agreement, when finalized, will be a public record and will **not** be held confidential by the North Carolina Department of Insurance or the Agent Services Division. Following the execution of this Agreement, all licenses issued by the North Carolina Department of Insurance to Mr. Ezzell and DEIS shall reflect that Regulatory Action has been taken against them. The North Carolina Department of Insurance is free to disclose the contents of this Agreement with third parties upon request or pursuant to any law or policy providing for such disclosure. The North Carolina Department of Insurance routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.
8. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
9. Be aware that if a state or federal regulator other than the North Carolina Department of Insurance has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The North Carolina Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.


Derek U. Ezzell

N.C. License No. 6601469

Date: _____

8/12/24

DEREK EZZELL INSURANCE SERVICES, INC.

By: _____

Derek U. Ezzell, President
N.C. License No. 3002251963

Date: _____

8/12/24

**AGENT SERVICES DIVISION OF THE
NORTH CAROLINA DEPARTMENT OF INSURANCE**

By: _____

Joe Wall
Deputy Commissioner of the Agent Services Division

Date: _____

8/27/2024