

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 FFP SECURITIES, INC.

VOLUNTARY SETTLEMENT  
AGREEMENT

**NOW COME** FFP Securities, Inc. (hereinafter "FFP Securities") and the North Carolina Department of Insurance (hereinafter "Department of Insurance"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement"):

WHEREAS, the Department of Insurance has the authority and responsibility for enforcement of insurance laws of this State, and for regulating insurance agencies in this State; and

WHEREAS, FFP Securities was issued a Business Entity License by the Commissioner of Insurance (hereinafter "Commissioner") on March 6, 1992; and

WHEREAS, at the time of the issuance of the Business Entity License by the Department of Insurance, FFP Securities maintained an active Certificate of Authority from the North Carolina Department of the Secretary of State (hereinafter "Secretary of State"), as required by 11 NCAC 6A.0413 for the issuance of a Business Entity License; and

WHEREAS, the Business Entity License of FFP Securities was cancelled on April 1, 1993, due to the non-payment of license renewal fees; and

WHEREAS, on December 8, 1993, the Secretary of State revoked the Certificate of Authority of FFP Securities, for failure of FFP Securities to file annual reports; and

WHEREAS, FFP Securities failed to disclose the revocation by the Secretary of State to the Department of Insurance; and

WHEREAS, FFP Securities applied for, and was re-issued a Business Entity License by the Department of Insurance on May 26, 1995; and

WHEREAS, when the Department of Insurance re-issued FFP Securities a Business Entity License on May 26, 1995, the Department of Insurance was not aware that the Certificate of Authority of FFP Securities had been revoked by the Secretary of State, and that FFP did not possess an active Certificate of Authority at the time FFP Securities applied for the re-issuance of its license; and

WHEREAS, on or about October 13, 1995, the North Carolina Department of Revenue (hereinafter "Department of Revenue") placed a suspension on FFP Securities, for failure of FFP Securities to pay taxes; and

WHEREAS, FFP Securities failed to disclose the suspension by the Department of Revenue to the Department of Insurance; and

WHEREAS, on or about October 28, 2005, the Department of Revenue lifted its suspension on FFP Securities; and

WHEREAS, on or about October 28, 2005, the Secretary of State issued a Certificate of Reinstatement of an active Certificate of Authority to FFP Securities; and

WHEREAS, the failure of FFP Securities to disclose the revocation by the Secretary of State and the suspension by the Department of Revenue violated N.C. Gen. Stat. § 58-33-32(k), which provides that "[a] producer shall report to the Commissioner any administrative action taken against the producer . . . by another governmental agency in this State within 30 days after the final disposition of the matter. This report shall include a copy of the order or consent order and other information or documents necessary to describe the action"; and

WHEREAS, the failure of FFP Securities to disclose the revocation by the Secretary of State and the suspension by the Department of Revenue violated N.C. Gen. Stat. § 58-33-46(a)(8), which provides that the "Commissioner may place on probation, suspend, revoke, or refuse to renew" a Business Entity License if the licensee has used "fraudulent . . . or dishonest practices," or has demonstrated "untrustworthiness"; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-33-10(4), a "Business Entity" means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity." At the time FFP Securities applied for, and was re-issued a Business Entity License by the Department of Insurance on May 26, 1995, FFP Securities was not an active corporation or legal entity in North Carolina for purposes of being licensed by the Commissioner as a Business Entity; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-33-46(a)(17), the "Commissioner may place on probation, suspend, revoke, or refuse to renew" a Business Entity License for "[a]ny 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"; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), the Commissioner of Insurance and the Department of Insurance have the express authority to negotiate "a mutually acceptable agreement with any person as to the status of the person's license or certificate or as to any civil penalty or restitution"; and

WHEREAS, FFP Securities has agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Department of Insurance has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against FFP Securities; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Department of Insurance initiates an administrative hearing concerning this matter; and

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement.

**NOW, THEREFORE**, in exchange for the consideration of the promises and agreements set out herein, the Department of Insurance and FFP Securities hereby agree to the following:

1. Contemporaneously with the execution of this document, FFP Securities shall pay a civil penalty of \$10,000.00 to the Department of Insurance. The form of payment shall be in a certified check, cashiers 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."

2. FFP Securities enters into this Agreement freely and voluntarily and with knowledge of its right to have an administrative hearing on this matter. FFP Securities understands that it may consult with an attorney prior to entering into this Agreement.

3. This Agreement does not in any way affect the Department of Insurance's disciplinary authority in any other cases or complaints involving FFP Securities.

4. This Agreement, when finalized, will be a public record and is not confidential. Any and all licenses issued by the Department of Insurance to the licensee shall reflect that regulatory action has been taken against the licensee following the execution of this Agreement. The 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.

5. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner.

6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

IN WITNESS WHEREOF, FFP Securities and the Department have duly executed this Agreement as of the dates indicated below.



Craig A. Jenkins  
President, FFP Securities, Inc.

Date: 4/20/06



North Carolina Department of Insurance  
By: Angela Ford  
Senior Deputy Commissioner

Date: 5-4-06