

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA)	BEFORE THE
COUNTY OF WAKE)	COMMISSIONER OF INSURANCE
)	
)	
IN THE MATTER OF:)	
)	
THE LICENSURE OF)	ORDER AND
GREEN TREE INSURANCE)	<u>FINAL AGENCY DECISION</u>
& FINANCIAL SERVICES, INC.)	
(NPN #18436987))	Docket No. 2214
)	
)	
Respondent.)	
)	

THIS MATTER was heard on August 22, 2024 by the undersigned Hearing Officer, as designated by the Commissioner of Insurance (“Commissioner”) pursuant to N.C. Gen. Stat. § 58-2-55 and other applicable statutes and regulations. The administrative hearing was held in Hearing Room # 131 of the Albemarle Building, located at 325 North Salisbury Street, Raleigh, Wake County, North Carolina.

Petitioner, the Agent Services Division of the North Carolina Department of Insurance (“Petitioner” or “ASD”), was present and represented by Assistant Attorney General Dilcy Burton. The Respondent, Green Tree Insurance & Financial Services, Inc., (“Respondent” or “Green Tree”) was present and represented by its owner Stephen Jake Williams (“Mr. Williams”).

Tommy Walls, Senior Complaint Analyst for ASD, appeared and testified on behalf of the Petitioner. Mr. Williams appeared and testified on behalf of Respondent. Respondent’s designated responsible licensed producer, David Harris appeared and testified on behalf of Green Tree.

Petitioner’s Exhibits 1-11 and 13 were admitted into evidence with redactions from Petitioner’s Exhibits 7, 8, and 9. Respondent’s Exhibits A, B, and C were admitted into evidence over objections from Petitioner regarding authenticity, hearsay, and proper foundation.

BASED UPON careful consideration of the documentary and testimonial evidence introduced at the hearing 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 for the enforcement of the insurance laws of North Carolina and for regulating the licensing of insurance producers, in accordance with Chapter 58 of the North Carolina General Statutes.

2. The Notice of Administrative Hearing and Petition for Administrative Hearing were properly served on Respondent by depositing in the United States Postal Service via first class U.S. Mail and via certified U.S. mail, return receipt requested, pursuant to N.C. Gen. Stat. §§ 58-2-69(b), (d) and (e) and Rule 4 of the North Carolina Rules of Civil Procedure. *See* Pet’r Exs. 1 and 2. The certified mail to Respondent’s registered agent was delivered. *Id.*

3. Respondent is a corporation duly incorporated in the State of North Carolina on May 22, 2017. *See* Pet’r Ex. 7. Respondent holds a resident North Carolina corporate insurance license with National Producer Number 18436987. *Id.*

4. Mr. Williams is the 100% owner of Respondent. *See* Pet’r Ex. 7.

5. On March 23, 2023, David Harris was named as the Designated Responsible License Producer (“DRLP”) for Respondent with lines of authority in Life, Accident & Health or Sickness, and Medicare Supplement/Long Term Care. *See* Pet’r Ex. 7.

6. On November 28, 2022, the Grand Jury in the United States District Court for the Middle District of North Carolina indicted Mr. Williams on four counts (“Indictment”). *See* Pet’r Exs. 3 and 4.

7. On February 24, 2023, Mr. Williams signed a plea agreement (“Plea Agreement”) in which Mr. Williams agreed to enter a voluntarily plea of guilty to count two “knowingly and willfully did transmit in interstate and foreign commerce a communication, a TikTok video, which contained threats to injure the person of another, that is Federal Bureau of Investigation agents; in violation of Title 18, United States Code, section 875(c).” *See* Pet’r Exs. 3 and 4. The Plea Agreement provided for the dismissal of counts one, three, and four upon acceptance by the Court of the guilty plea and at the conclusion of the sentencing hearing. *Id.*

8. On March 6, 2023, Mr. Williams attended a court proceeding held in the United States District Court for the Middle District of North Carolina before Judge Loretta C. Biggs where the Court reviewed the Plea Agreement, found Mr. Williams competent to enter a guilty plea, accepted the plea of guilty, and adjudged Mr. Williams guilty. *See* Resp’t Ex. A. The sentencing was set for August 16, 2023, and subsequently continued to December 28, 2023. *Id.*

9. On March 21, 2023, Mr. Williams completed the National Insurance Producer Registry Resident Renewal for Business Application (“NIPR renewal application”) for Respondent. See Pet’r Ex. 8. The NIPR renewal application contained a background question 1B that states, “Has the business entity or any owner, partner, officer or director of the business entity, or member or manager of a limited liability company, ever been convicted of, or is currently charged with committing a felony or had a judgment withheld or deferred for a felony which has not been previously reported to this insurance department?” See Pet’r Ex. 8.

10. Mr. Williams answered “yes” to the question of whether any owner of the business entity has been convicted of or is currently charged with committing a felony which has not been previously reported to this insurance department on the March 21, 2023 NIPR renewal application for Respondent. See Pet’r Ex. 8.

11. In answering “yes” to background question 1B of the NIPR renewal application, Mr. Williams was required to submit to the National Producer Registry (“NIPR”) Attachment Warehouse the following documents: (1) A written statement identifying all parties involved (including their percentage of ownership, if any) and explaining the circumstances of each incident; (2) a copy of the charging document; and (3) a copy of the official document, which demonstrates the resolution of the charges or any final judgment. See Pet’r Ex. 8. On March 21, 2023, Mr. Williams uploaded to the NIPR Attachment Warehouse a written statement signed by Mr. Williams, dated March 21, 2023, explaining that he was charged and awaiting sentencing for one count of making threats via interstate commerce, violating Title 18, United States Code, Section 875c. See Resp’t Ex. B. The statement further states that Mr. Williams was charged for allegedly exposing FBI corruption and other FBI malicious prosecution and that it was never his intent to threat or harm anyone. *Id.*

12. On or about March 28, 2023, ASD renewed Respondent’s resident corporate insurance license. See Pet’r Ex. 7.

13. On December 28, 2023, Judge Loretta C. Biggs signed a document entitled ‘Judgment in Criminal Case’ (“Judgment”) which showed Mr. Williams plead guilty to count two, and that counts one, three, and four were dismissed on motion of the United States, and provided for sentencing of Mr. Williams, which included time served and supervised release for three years, and disposition of evidence upon completion of the time for appeal. See Pet’r Ex. 13.

14. Mr. Williams was incarcerated on or about November 28, 2022 through December 28, 2023.

15. On February 19, 2024, Mr. Williams completed the NIPR renewal application for Respondent. See Pet’r Ex. 9. The NIPR renewal application contained a background question 1B that states, “Has the business entity or any owner, partner,

officer or director of the business entity, or member or manager of a limited liability company, ever been convicted of, or is currently charged with committing a felony or had a judgment withheld or deferred for a felony which has not been previously reported to this insurance department?" *See* Pet'r Ex. 9.

16. Mr. Williams answered "no" to the question of whether any owner of the business entity has been convicted of or is currently charged with committing a felony which has not been previously reported to this insurance department on the February 19, 2024 NIPR renewal application for Respondent. *See* Pet'r Ex. 9.

17. Tommy Walls is a Senior Complaint Analyst with ASD, and his job responsibilities include handling enforcement files for ASD. He was assigned to Respondent's case.

18. On May 6, 2024, ASD sent written correspondence via U.S. Mail to David Harris' residential address of record, Respondent's business address of record, Respondent's registered agent's mailing address of record, and e-mailed a copy of the letter to David Harris' e-mail address on record requesting that David Harris attend an informal conference to discuss the allegations against Respondent. *See* Pet'r Ex. 10. The informal conference was scheduled for June 27, 2024, at 1:00 p.m. eastern time via the telephone. *Id.*

19. At the June 27, 2024 informal telephonic conference, Mr. Williams joined on the call with ASD. Mr. Williams did not deny that he plead guilty to a felony.

20. The March 21, 2023 NIPR renewal application for Respondent required Mr. Williams to upload more than the written statement. Mr. Williams failed to attach all the required documents such as the Indictment and information regarding the March 6, 2023 court proceeding in which the Court accepted his plea of guilty.

21. On May 8, 2023, Mr. Williams uploaded the Indictment and Plea Agreement to the NIPR Attachment Warehouse under Mr. Williams National Producer Number ("NPN"). The NPN is different for Mr. Williams and Respondent and the NIPR Attachment Warehouse does not cross-reference information. Although Mr. Williams was under an incorrect assumption, he was attempting to notify the NCDOJ of the Indictment and Plea Agreement. Moreover, ASD had knowledge that Mr. Williams was the sole owner of Respondent.

22. On the February 19, 2024 NIPR renewal application for Respondent, Mr. Williams answered "no" to the question of whether any owner of the business entity has been convicted of or is currently charged with committing a felony which has not been previously reported to this insurance department because he believed

he had already reported it when he answered “yes” to this question on the March 21, 2023 NIPR renewal application for Respondent. Mr. Williams was not attempting to provide materially incorrect, misleading, incomplete, or materially untrue information in the license application for Respondent in violation of N.C. Gen. Stat. § 58-33-46(a)(1).

23. Petitioner requests for Respondent’s resident corporate insurance license to be revoked pursuant to N.C. Gen. Stat. §§ 58-33-46(a)(1) and (a)(17) due to Mr. Williams’ felony conviction and failure to disclose on its February 19, 2024 NIPR renewal application and to impose a monetary penalty pursuant to N.C. Gen. Stat. § 58-2-70. *See* Pet’r Ex. 3.

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. Respondent was properly served with the Notice of Administrative Hearing and Petition for Administrative Hearing pursuant to N.C. Gen. Stat. §§ 58-2-69(d) and (e) and Rule 4 of the North Carolina Rules of Civil Procedure.

3. N.C. Gen. Stat. § 58-33-46(a)(1) 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 a licensee providing materially incorrect, misleading, incomplete, or materially untrue information in the license application. Mr. Williams’ failure to attach all the required documents such as the Indictment and information regarding the March 6, 2023 court proceeding in which the Court accepted his plea of guilty to the March 21, 2023 NIPR renewal application for Respondent, subjects Respondent to disciplinary action due to violation of N.C. Gen. Stat. § 58-33-46(a)(1).

4. N.C. Gen. Stat. § 58-33-46(a)(17) provides that the Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under Article 58 of the General Statutes of North Carolina 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. Mr. Williams provided notification to the NCDOT of the felony charge when he answered “yes” to the question of whether any owner of the business entity has been convicted of or is currently charged with committing a felony which has not been previously reported to this insurance department on the March 21, 2023 NIPR renewal application for Respondent. Respondent is not in violation of N.C. Gen. Stat. § 58-33-46(a)(17) due to Mr. Williams answering “no” to the question of whether any owner of the business entity has been convicted of or is currently charged with committing a felony which has not been

previously reported to this insurance department on the February 19, 2024 NIPR renewal application for Respondent because the felony charge had already been reported to the NCDOI. Furthermore, by ASD's own admission, they considered Mr. Williams as having entered a plea of guilty, which is a conviction, on February 24, 2023. *See* Pet'r Ex. 11. Although the date is incorrect, Mr. Williams plead guilty on March 6, 2023 during the court proceeding in which the Court accepted Mr. Williams plea of guilty, the conviction was known to the NCDOI at the time of the February 19, 2024 NIPR renewal application for Respondent.

5. N.C. Gen. Stat. § 58-2-70(c) provides that if, under subsection (b) of this section, the Commissioner finds a violation of this Chapter, the Commissioner may, in addition to or instead of suspending or revoking the license, order the payment of a monetary penalty as provided in subsection (d) of this section. Mr. Williams' failure to attach all the required documents such as the Indictment and information regarding the March 6, 2023 court proceeding in which the Court accepted his plea of guilty to the March 21, 2023 NIPR renewal application for Respondent, subjects Respondent's resident corporate insurance license to suspension or revocation in accordance with N.C. Gen. Stat. § 58-2-70(b).

ORDER

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

It is hereby ORDERED that Petitioner's request for Respondent's resident corporate insurance license issued by the North Carolina Department of Insurance to be revoked, and a monetary penalty imposed is DENIED.

It is hereby ORDERED that Mr. Williams will upload to the National Producer Registry Attachment Warehouse for Green Tree a copy of the United States District Court for the Middle District of North Carolina Grand Jury Charge document (*See* Pet'r Ex. 3), a copy of the United States District Court for the Middle District of North Carolina Criminal Docket for Case, Internal Use Only document (*See* Resp't Ex. A), and a copy of the United States District Court Middle District of North Carolina Judgment in Criminal Case document (*See* Pet'r Ex. 13) within ten (10) days from the signing of this Order.

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 may result in the revocation of Respondent's resident corporate insurance license for violation of an Order of the Commissioner.

This 21st day of October, 2024.



Shannon Wharry
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 the 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 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:

Green Tree Insurance & Financial Services, Inc.
8400 US Hwy 158
Stokesdale, NC 27357
(Respondent)


Green Tree Insurance & Financial Services, Inc.
684 Winners Pt
Whitsett, NC 27377
(Respondent)

Kimberly Thacker, Registered Agent
8303 Tottington Road
Stokesdale, NC 27404

Certified Mail Tracking Number: 9589 0710 5270 0742 5940 86

Dilcy Burton
Assistant Attorney General
N.C. Department of Justice
Insurance Section
9001 Mail Service Center
Raleigh, NC 27699-9001
(Attorney for Petitioner)

This the 21st day of October, 2024.


Kimberly W. Pearce, NCCP
Clerk of Court for Administrative Hearings
Paralegal III
N.C. Department of Insurance
1201 Mail Service Center
Raleigh, NC 27699-1201