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 DAVID KENNEDY (NPN 21317643) Respondent.	ORDER AND FINAL AGENCY DECISION Docket Number: 2314

THIS MATTER was heard on October 30, 2025, in the Hearing Room of the North Carolina Department of Insurance, located at 3200 Beechleaf Court, Raleigh, North Carolina before 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.

Petitioner, Agent Services Division of the North Carolina Department of Insurance ("Petitioner" or "Agent Services"), was present and represented by Assistant Attorney General Rebecca E. Lem. Respondent, David Kennedy ("Respondent") did not appear and was not represented by counsel at the hearing.

Dawne Pittman, Licensing Regulatory Analyst for Agent Services appeared and testified on behalf of the Petitioner.

Petitioner's Exhibits 1-8, and all subparts were admitted into evidence with redactions for personally identifiable information.

BASED UPON careful consideration of the documentary and testimonial evidence presented at the hearing, and upon the entire record in the proceeding, the undersigned 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 enforcement of the insurance laws of North Carolina and for regulating and licensing insurance producers, in accordance with Chapter 58 of the

North Carolina General Statutes.

2. On September 3, 2025, a copy of the Notice of Administrative Hearing ("Notice") and Petition for Administrative Hearing ("Petition") were deposited in the United States Postal Service via first-class mail and via certified mail, return receipt requested, to Respondent at Respondent's residential address of record. *See* Pet'r's Exs. 1-3.

3. The Notice and Petition were properly served on Respondent by depositing in the United States Postal Service via first-class mail and via certified 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's Exs. 1 and 2. The certified mail was unclaimed and returned to sender, and the first-class mail was not returned.

4. Respondent holds a North Carolina nonresident insurance producer license, National Producer Number 21317643, with a line of authority in Life ("nonresident producer license"). *See* Pet'r's Ex. 3 and 4. Respondent's nonresident producer license was first active in North Carolina on September 30, 2024. *Id.* Respondent is a resident of California. *Id.*

5. N.C. Gen. Stat. § 58-33-32(c)(2) sets forth conditions for a nonresident person to receive a nonresident producer license which includes submitting a request for licensure in the form prescribed by the Commissioner and payment of the applicable fees required by G.S. 58-33-125. In order to qualify for a nonresident producer license, Respondent was required to pay $50.00 for his application for licensing with a line of authority in Life pursuant to N.C. Gen. Stat. § 58-33-125(c), which he did not.

6. License application fees are collected by the National Insurance Producer Registry ("NIPR") during the online application process. The NIPR is part of the National Association of Insurance Commissioners ("NAIC"), and the NCDOI is a member of the NAIC. Pursuant to N.C. Gen. Stat. § 52-2-250(a), the Commissioner has assigned the NAIC as its designee for the purpose of receiving electronic documents, including applications, and associated electronic payments. The NIPR is the affiliate of the NAIC which receives these applications and electronic payments.

7. Pursuant to N.C. Gen. Stat. §§ 58-2-69(g) and 58-2-250(c), 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).

8. Pursuant to its authority granted under N.C. Gen. Stat. § 58-2-69(g), the Commissioner has contracted with vendor, Pearson Vue for processing license

applications, and Pearson Vue is authorized to charge a fee for license application processing and support services.

9. On September 30, 2024, Respondent electronically submitted his application for a nonresident producer license with a line of authority in Life through the NIPR. Respondent's North Carolina nonresident producer license application required payment of $99.60, which included a $94.00 licensing fee ("State fee") 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 fee." Respondent paid his License Application Fee using a credit card. *See* Pet'r's Ex. 4.

10. The $5.60 transaction fee authorized by N.C. Gen. Stat. §§ 58-2-69(g) and 58-2-250(c) is collected and kept by the NIPR. The $94.00 State fee is transferred to the NCDOI by the NIPR. From the State fee, the NCDOI pays its contracted application processing vendor, Pearson Vue, $44.00 as authorized by N.C. Gen. Stat. § 58-2-69(g), and the NCDOI retains the remaining $50.00 as required by N.C. Gen. Stat. § 58-33-125(c).

11. Pursuant to its authority, Pearson Vue is authorized to issue a license to an applicant upon payment if the applicant answered "No" in response to all of the application background screening questions. Respondent answered "No" to all of the screening questions on his license application. Therefore, Respondent's license was issued almost immediately after his application was submitted, and before the NIPR received notice that there was a problem with the license application fee payment. *See* Pet'r's Ex. 4.

12. On January 10, 2025, January 31, 2025, and March 14, 2025, prior to notifying the NCDOI, the NIPR sent notification and invoices to Respondent attempting to collect payment for the $99.60 license application fee, as well as other fees owed to the NIPR. *See* Pet'r's Exs. 5a- 5c. Respondent failed to pay the license application fee to the NIPR.

13. Dawne Pittman ("Ms. Pittman") works as an insurance regulatory analyst for Agent Services, and her job duties include investigating matters where a licensee has failed to pay the required license application fee.

14. On April 11, 2025, Ms. Pittman received an e-mail notification from the NIPR that Respondent's payment of $99.60 for his license application fee had not been paid due to a "chargeback" from the credit card that Respondent used to pay. *See* Pet'r's Ex. 6a. The chargeback occurred because Respondent disputed the credit card charge. Ms. Pittman handled the investigation of this matter.

15. It is a business practice of Agent Services to allow a licensee one opportunity to pay an outstanding license application fee before an "enforcement file"

is established. If the licensee pays the outstanding license application fee immediately upon receiving that first notice from Agent Services, the incident is not reported as an administrative action and no other adverse action is taken against the licensee.

16. On April 11, 2025, prior to creating an enforcement file, Ms. Pittman sent correspondence via first-class mail to Respondent's residential address of record and via e-mail to Respondent's e-mail addresses of record requesting payment of his outstanding license application fee and providing instructions on how he could pay the license application fee through the NIPR. *See* Pet'r's Ex. 7a. Respondent contacted Ms. Pittman on the phone and indicated that he intended to pay the fee.

17. On June 3, 2025, Ms. Pittman e-mailed the NIPR to verify whether Respondent had paid his outstanding license application fee and she was informed that Respondent had not paid. *See* Pet'r's Ex. 6b. That same day, Ms. Pittman sent Respondent correspondence via first-class mail and e-mail requesting that Respondent attend an informal conference concerning this matter. *See* Pet'r's Ex. 7b. The informal conference was scheduled for July 15, 2025 at 2:00 p.m. eastern time via telephone. *Id.* Respondent failed to provide any response to this correspondence.

18. At the appointed time for the July 15, 2025 informal conference, Ms. Pittman and her supervisor, Elizabeth Parsons, called Respondent two times but Respondent did not answer the phone on either attempt. A voicemail message was left for Respondent each time requesting that he return Agent Services' call. Respondent failed to provide any response to the voicemails. *See* Pet'r's Ex. 8.

19. On July 25, 2025, Ms. Pittman sent Respondent correspondence via first-class mail and e-mail advising Respondent that he failed to respond to the NCDOI's repeated attempts to resolve the matter of his unpaid license application fee, and he failed to attend the informal telephonic conference. *See* Pet'r's Ex. 7c. This correspondence gave Respondent notice that formal proceedings would be instituted under Article 3A of Chapter 150B, and an administrative hearing would be scheduled. Alternatively, Respondent could surrender his North Carolina producer license in lieu of an administrative hearing. *Id.* Respondent failed to provide any response to this correspondence, nor did he surrender his producer license.

20. On August 1, 2025, Ms. Pittman e-mailed the NIPR to verify whether Respondent had paid his outstanding license application fee and she was informed that Respondent had not paid. *See* Pet'r's Ex. 6c.

21. Regardless of Respondent's failure to pay his outstanding license application fee, the NCDOI still had to pay Pearson Vue the $44.00 fee for processing Respondent's application. The NCDOI has been deprived of the $50.00 State fee even though Respondent had the benefit of an active North Carolina nonresident producer

license since September 30, 2024. Additionally, the NIPR lost the $5.60 transaction fee when Respondent's financial institution rejected the payment due to insufficient funds.

22. Agent Services did not receive a bounce-back message or any other indication that the e-mails sent to Respondent were not delivered. Agent Services did not receive indication that any of the correspondence sent via first-class mail was undelivered. Respondent's failure to respond to any of Agent Services' numerous inquiries, except one, and failure to submit payment of the unpaid license application fee, indicates a lack of continued interest in retaining his North Carolina nonresident producer license.

23. As of the morning of the hearing in this matter, Respondent still had not paid his outstanding license application fee. Agent Services requests that the undersigned revoke Respondent's North Carolina nonresident producer license and impose a civil monetary penalty.

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 ("Notice") and Petition for Administrative Hearing ("Petition") in this matter pursuant to N.C. Gen. Stat. §§ 58-2-69(d) and (e) and Rule 4 of the North Carolina Rules of Civil Procedure. Service of the Notice and Petition to Respondent's residential address of record was deemed complete on or about September 8, 2025. *See* Pet'r's Ex. 2.

3. N.C. Gen. Stat. § 58-33-32(c)(2) requires a nonresident person to submit a request for licensure in the form prescribed by the Commissioner, and pay the applicable fees required by G.S. 58-33-125 as a condition to receive a nonresident producer license.

4. N.C. Gen. Stat. § 58-33-125(c) requires an applicant to pay to the Commissioner, upon application for licensing, a fee of $50.00 for each line of authority. Respondent submitted an application for one (1) line of authority, and therefore, was required to pay $50.00. Respondent has not met this condition for licensure because he failed to provide a valid payment for the applicable fees required by N.C. Gen. Stat. § 58-33-125.

5. N.C. Gen. Stat. § 58-2-69(g) allows the NAIC or other persons with whom the Commissioner contracts with, pursuant to the authority granted him under this section, to charge applicants and licensees a reasonable fee for the provisions of

online services, the provision of administrative services, the provision of license processing and support services, and the provision of regulatory data systems to the Commissioner.

6. N.C. Gen. Stat. § 58-2-250(c) allows the Commissioner or his designee to charge an administrative fee 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).

7. Pursuant to and as authorized by N.C. Gen. Stat. §§ 58-2-69(g) and 58-2-250(c), the NIPR charged a transaction fee of $5.60, and Pearson Vue charged an application processing fee of $44.00 for Respondent's nonresident producer license application with a line of authority in Life. These fees were in addition to the $50.00 fee required by N.C. Gen. Stat. § 58-33-125(c). Therefore, Respondent was required to electronically pay through the NIPR a license application fee totaling $99.60.

8. Respondent submitted a credit card payment for the license application fee of $99.60 on September 30, 2024, and subsequently contested the charge with his credit card company. This resulted in a chargeback "reversal" of the payment, which means that payment of the license application fee was unfulfilled and Respondent never paid for his nonresident producer license as required by N.C. Gen. Stat. §§ 58-2-69(g), 58-33-32(c)(2), 58-33-125(c), and 58-2-250(c).

9. N.C. Gen. Stat. § 58-33-46(a)(2) allows the Commissioner to place on probation, suspend, or revoke the license of a licensee who 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. Respondent's nonresident producer license is subject to disciplinary action due to Respondent's violation of N.C. Gen. Stat. §§ 58-33-32(c)(2) and 58-33-125(c) for failing to submit valid payment of the required licensing fee.

10. N.C. Gen. Stat. § 58-33-46(a)(8) allows the Commissioner to place on probation, suspend, or revoke the license of a licensee who has demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere. Respondent's refusal to pay the fees pertaining to his license application, as set forth above, despite multiple notices from the NIPR and Agent Services to do so, demonstrates untrustworthiness and financial irresponsibility in the conduct of business. Thus, subjecting Respondent's nonresident producer license to disciplinary action.

11. N.C. Gen. Stat. § 58-33-46(a)(17) 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 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 was issued a nonresident producer license on September 30, 2024, despite never paying the required licensure fees due to his initiation of a chargeback with his credit card company. If this had existed or been known to the Commissioner on September 30, 2024, the license could have been refused. Thus, subjecting Respondent's nonresident producer license to disciplinary action.

12. Respondent's violation of N.C. Gen. Stat. § 58-33-46(a)(2), by itself, is sufficient grounds to support suspension or revocation of Respondent's nonresident producer license.

13. Respondent's violation of N.C. Gen. Stat. § 58-33-46(a)(8), by itself, is also sufficient grounds to support suspension or revocation of Respondent's nonresident producer license.

14. Respondent's violation of N.C. Gen. Stat. § 58-33-46(a)(17), by itself, is also sufficient grounds to support suspension or revocation of Respondent's nonresident producer license.

15. 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. Respondent's failure to pay for his nonresident producer license and refusal to rectify the issue despite multiple notices from the NIPR and Agent Services to do so subjects Respondent's nonresident producer license to suspension or revocation in accordance with N.C. Gen. Stat. § 58-2-70(b).

16. The Hearing Officer has considered all factors in this matter. The undersigned has given great weight to the deliberate action by Respondent in contesting the charge with his credit card company. This provides the appearance of Respondent using a chargeback to avoid paying licensing fees. Furthermore, the NCDOI has suffered a financial loss due to Respondent's refusal to pay the required fees pertaining to his license. The NCDOI still had to pay the application processing fee to Pearson Vue and the NCDOI did not have the benefit of the fee due to them even though Respondent has had the benefit of an active North Carolina nonresident producer license for over a year.

17. In addition to license revocation as requested by the Petitioner, the Hearing Officer finds that pursuant to N.C. Gen. Stat. § 58-2-70(c), a civil penalty of $250.00 is appropriate for Respondent's failure to pay for his nonresident producer license in violation of N.C. Gen. Stat. §§ 58-33-32(c)(2) and 58-33-125(c), and refusal to pay all fees pertaining to his license application, thus demonstrating untrustworthiness and financial irresponsibility in the conduct of business in

violation of N.C. Gen. Stat. § 58-33-46(a)(8).

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

ORDER

It is **ORDERED** that Respondent's nonresident insurance producer license issued by the North Carolina Department of Insurance is hereby **REVOKED**.

It is **ORDERED** that Respondent pay a civil penalty in the amount of two hundred and fifty dollars ($250.00) for violation of N.C. Gen. Stat. §§ 58-33-32(c)(2), 58-33-125(c), and 58-33-46(a)(8).

Payment of this civil penalty shall be by certified funds, to include certified bank check, cashier's check, and money order, made payable to the "North Carolina Department of Insurance" and submitted to the Agent Services Division of the North Carolina Department of Insurance within sixty (60) days from the effective date of this Order.

This Order is effective five (5) days from the date of mailing this Order. The "date of mailing" is the date indicated on the Certificate of Service attached to this Order.

This the 16th day of February, 2026.

[redacted]
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 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 address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b); via courtesy e-mail to Respondent; and via State Courier to Attorney for Petitioner, addressed as follows:

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Victorville, CA 92392
Davidkennedyfinancial@gmail.com
Heythatsdav@gmail.com
(Respondent)

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(Attorney for Petitioner)

This the 16th day of February, 2026.

[redacted]

Raheema I. Moore
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