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: PAUL D. MANCHESTER NPN #397741 Respondent.	)	ORDER AND FINAL AGENCY DECISION Docket Number: 1984

THIS MATTER was heard on November 19, 2019 by the undersigned Hearing Officer, designated by the North Carolina Commissioner of Insurance ("Commissioner") under N.C. Gen. Stat. § 58-2-55, pursuant to a Notice of Administrative Hearing that was duly issued and served.

Respondent, Paul D. Manchester, proceeding *pro se*, failed to appear at the hearing.

Petitioner Agent Services Division ("Agent Services") of the North Carolina Department of Insurance ("NCDOI") was present at the hearing and was represented by Thomas J. Felling, Assistant Attorney General. Agent Services Senior Complaint Analyst Lisa Webb testified at the hearing.

Agent Services offered into evidence Petitioner's Exhibits 1 through 8, which were admitted into evidence.

BASED UPON careful consideration of the evidence and arguments presented, and based 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 Petition for Administrative Hearing ("Petition") and Notice of Administrative Hearing ("Notice") were properly served on Respondent on October 1, 2019. The Notice, Petition and Affidavit of Service were admitted into evidence as Exhibits 1, 1A, and 2 respectively.

2. At all times relevant herein, Respondent held a non-resident Insurance Producer License with lines of authority in Life, Accident & Health or Sickness, Personal Lines, and Medicare Supplement Long-Term Care, License number 0000397741. A copy of the Licensee Summary was admitted into evidence as Exhibit 3.

3. Respondent failed to appear at the hearing and, as a result, is subject to sanctions under 11 NCAC 1.0423 (a)(1) which allows the Hearing Officer to find that all the allegations of or issues set out in the notice of hearing or other pleading may be taken to be true or deemed to be proved without further evidence.

4. On or about January 24, 2018, the State Corporation Commission of the Commonwealth of Virginia revoked Respondent's license to transact the business of insurance in the state of Virginia citing that Respondent had provided materially incorrect, misleading, or untrue information in the license application he filed with the Commission. This license revocation was an administrative action. Certified records from the State Corporation Commission of the Commonwealth of Virginia were admitted into evidence as Exhibit 4.

5. Respondent did not report the Virginia administrative action to the Commissioner within 30 days of the final disposition of that matter.

6. On or about February 27, 2018, the New York Department of Financial Services entered into a Stipulation with Respondent for an admitted violation of New York Insurance Law where he failed to disclose on his application that he had a prior criminal judgment withheld or deferred and he agreed to pay a penalty in the amount of $750.00. The New York Stipulation was an administrative action. Certified records from the New York Department of Financial Services were admitted into evidence as Exhibit 5.

7. Respondent did not report the New York administrative action to the Commissioner within 30 days of the final disposition of that matter.

8. On or about April 26, 2018, the Louisiana Department of Insurance entered an Amended Notice of Fine for Respondent assessing a fine in the amount of $250.00 for Respondent's failure to timely notify the Louisiana Department of Insurance of prior administrative actions. This Amended Notice of Fine was an administrative action. Certified records from the Louisiana Department of Insurance were admitted into evidence as Exhibit 6.

9. Respondent did not report the Louisiana administrative action to the Commissioner within 30 days of the final disposition of that matter.

10. On or about May 5, 2018, the State of Washington Office of the Insurance Commissioner entered into a Consent Order Levying A Fine with Respondent for failing to timely report administrative actions and agreeing to the imposition of a $500.00 fine. The Consent Order Levying A Fine was an administrative action. Certified records from the State of Washington Office of the Insurance Commissioner were admitted into evidence as Exhibit 7.

11. Respondent did not report the Washington administrative action to the Commissioner within 30 days of the final disposition of that matter.

12. On or about May 21, 2018, the Insurance Commissioner for the State of Delaware and Respondent entered into a Stipulation and Consent Order for Respondent's failure to report an administrative action taken by another jurisdiction resulting in the payment of a $1,000.00 fine. The Stipulation and Consent Order was an administrative action. Certified records from the Insurance Commissioner for the State of Delaware were admitted into evidence as Exhibit 8.

13. Respondent did not report the Delaware administrative action to the Commissioner within 30 days of the final disposition of that matter.

14. On or about October 19, 2018, the Louisiana Department of Insurance entered a Notice of Revocation Order revoking Respondent's individual insurance producer licensing citing that Respondent's failure to report administrative action within 30 days. The Louisiana Notice of Revocation Order was an administrative action. Certified records from the Louisiana Department of Insurance were admitted into evidence as Exhibit 6.

15. Respondent did not report the Louisiana administrative action to the Commissioner within 30 days of the final disposition of that matter.

16. The undersigned Hearing Officer notes that Respondent's failure to respond to process from NCDOI is concerning and gives the appearance that Respondent does not recognize the importance of the regulatory authority of the Commissioner over licensees.

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. To the extent that the Findings of Fact contain Conclusions of Law or that the Conclusions of Law are Findings of Fact, they should be so considered without regard to the given labels.

2. Respondent was properly served with the Notice of Administrative Hearing in this matter.

3. N.C. Gen. Stat. § 58-33-32(k) requires a producer to report to the Commissioner any administrative action taken against the producer in another state or by another governmental agency in this State within thirty (30) days after the final disposition of the matter.

4. Respondent failed to report to the Commissioner the aforementioned Virginia, New York, Louisiana, Washington, and Delaware administrative actions within thirty (30) days of the final dispositions of the matters and therefore violated N.C. Gen. Stat. § 58-33-32(k).

5. N.C. Gen. Stat. § 58-33-46(a)(2) authorizes the Commissioner to take disciplinary action against a license holder if the licensee 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.

6. Respondent's violations of N.C. Gen. Stat. § 58-33-32(k) constitute violations of insurance law of this state and are therefore grounds for license revocation under N.C. Gen. Stat. § 58-33-46(a)(2).

ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law, it is ORDERED that Respondent's Nonresident producer license be revoked effective as of the date of the signing of this Order.

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: A. John Hoomani, General Counsel, 1201 Mail Service Center, Raleigh, NC 27699-1201.

This 16th day of December, 2019.

[redacted]

Sherri Hubbard
Hearing Officer
N.C. Department of Insurance
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 address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b); and via State Courier addressed as follows:

Paul D. Manchester
2705 Rio Grande Dr., Apt 201
Tampa, LF 33618-3374

Certified Mail Receipt Number: 70191120000089734220

Thomas J. Felling
Assistant Attorney General
N.C. Department of Justice
Insurance Section
Post Office Box 629
Raleigh, NC 27602

This 16th day of December, 2019.

[redacted]

Mary Faulkner
Paralegal
N.C. Department of Insurance
1201 Mail Service Center
Raleigh, NC 27699-1201