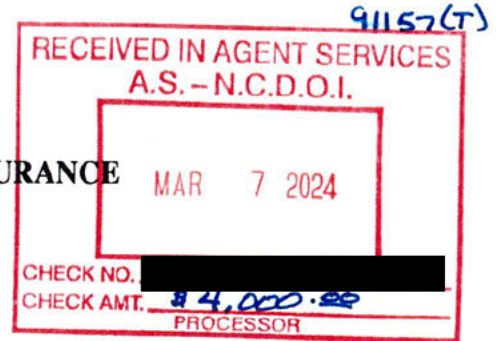


**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**



**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF
ROBERT C. MARTIN
NPN # 19153480**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME Robert C. Martin ("Mr. Martin") and the North Carolina Department of Insurance's Agent Services Division (hereinafter "Agent Services Division"), by and through Deputy Commissioner Joe Wall, and hereby enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Agent Services Division has the authority and responsibility for the enforcement of insurance laws of this State and for regulating and licensing insurance agents; and

WHEREAS, Mr. Martin holds a resident producer license with a Life line of authority which first became active on July 2, 2020. Prior to obtaining his North Carolina resident producer license, Mr. Martin resided in New Jersey and held a resident producer license which was first issued in 2019. Mr. Martin currently holds only a North Carolina and New Jersey producer's license; and

WHEREAS, Mr. Martin and Agent Services Division hereby voluntarily enter into the following Agreement; and

WHEREAS, Mr. Martin has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of himself, and Agent Services Division has agreed not to pursue additional civil ramifications including penalties, sanctions, remedies, or restitution based on these matters against Mr. Martin; and

WHEREAS, this Agreement is civil in nature and does not preclude criminal prosecution that may result from ongoing investigations by the Department's Criminal Investigation Division for violations of criminal laws; and

WHEREAS, Christine Dickson (hereinafter, "Ms. Dickson") submitted a complaint against Mr. Martin to the Department in September 2023 regarding his sale of a SILAC Insurance Company annuity to her on October 27, 2021; and

WHEREAS, in October 2021, Mr. Martin recommended that Ms. Dickson surrender her Lincoln Impact Advantage annuity (hereinafter, "Lincoln annuity") in order to purchase a SILAC Dinali Bonus 14 annuity (hereinafter, "SILAC annuity"). In 2021, Mr. Martin sold the Lincoln annuity to Ms. Dickson, a New Jersey resident, when he lived in and held a resident producer license in New Jersey. Mr. Martin had moved to North Carolina and held a resident North Carolina producer license when he solicited Ms. Dickson to replace her Lincoln annuity with the SILAC annuity remotely by phone from his office in North Carolina;

WHEREAS, even though the SILAC annuity had a longer surrender period than the Lincoln annuity and Ms. Dickson incurred charges for surrendering the Lincoln annuity, Mr. Martin explains that he recommended that Ms. Dickson surrender the Lincoln annuity and replace it with the SILAC annuity in October 2021 because the SILAC annuity had an interest bonus that offset the surrender charges and the investment indexes for the SILAC annuity were superior to the Lincoln annuity; and

WHEREAS, Mr. Martin asked Ms. Dickson to sign a letter acknowledging her understanding that by surrendering her Lincoln annuity, she would be faced with a surrender charge and that the purpose of the surrender was to purchase the SILAC annuity, for which she would receive a premium bonus that would offset the associated surrender charges; and

WHEREAS, Mr. Martin recommended that Ms. Dickson place the funds from the surrendered Lincoln annuity into a Schwab investment account before using them to purchase the SILAC annuity and Ms. Dickson followed this recommendation; and

WHEREAS, SILAC Insurance Company only offers the SILAC annuity to North Carolina residents. When Mr. Martin solicited Ms. Dickson to replace her Lincoln annuity with the SILAC annuity, Ms. Dickson had led Mr. Martin to believe that she would be moving with her sister to North Carolina within a few months. However, Ms. Dickson never moved to North Carolina and continues to reside in New Jersey;

WHEREAS, Mr. Martin completed Ms. Dickson's application and related forms in North Carolina and sent them to Ms. Dickson to execute them in New Jersey where she was still living;

WHEREAS, Mr. Martin falsely represented on Ms. Dickson's application and the Nonresident Verification Form included with the application that: (1) Ms. Dickson's application was solicited in the state of North Carolina and (2) Ms. Dickson executed the application in Jacksonville, NC;

WHEREAS, Mr. Martin falsely answered "No" in response to the following questions on the Replacement of Life Insurance or Annuities form that was included with Ms. Dickson's application for the SILAC annuity: (1) "Are you considering using funds from your existing

policies or contracts to pay premiums due on the new policy or contracts?" and (2) "Are you considering using funds from your existing policies or contracts to pay premiums due on the new policy or contracts?"; and

WHEREAS, Mr. Martin also entered false answers on the Suitability Acknowledgement form that was included with Ms. Dickson's SILAC application when he represented that the source of funds to purchase the SILAC annuity was a "retirement plan" instead of the Lincoln annuity and answered "No" to the question which asks whether the applicant is using funds from an existing life insurance policy or annuity contract to fund the annuity; and

WHEREAS, Mr. Martin knew that: (1) he had in fact solicited Ms. Dickson to purchase the annuity remotely from his office in NC while Ms. Dickson was living in New Jersey, (2) Ms. Dickson actually signed the application in New Jersey, (3) the SILAC annuity was a replacement for the Lincoln annuity, and (4) the source of funds for the purchase of the SILAC annuity was the funds from the surrender of the Lincoln annuity which was initially transferred into a retirement plan before being used to purchase the SILAC annuity; and

WHEREAS, Mr. Martin falsely certified that: (1) he truly and accurately recorded the information provided by the applicant when he signed as the producer on Ms. Dickson's application and (2) the information on the Nonresident Verification Form was "true and complete" and that "the solicitation and sale of the product and the signing of the product occurred solely within the state identified in the application [North Carolina]" by signing the Nonresident Verification Form; and

WHEREAS, N.C.G.S. § 58-33-105 prohibits producers from "knowingly or willfully making any false or fraudulent statement or representation in or with reference to any application for insurance, or making any such statement for the purpose of obtaining any fee, commission, money or benefit from any company engaged in the business of insurance in this State"; and

WHEREAS, N.C.G.S. 58-33-46(a)(2) authorizes the Commissioner to place on probation, suspend, revoke, or refuse to renew any license for violating "any insurance law of this or any other state"; and

WHEREAS, N.C.G.S. 58-33-46(a)(5) authorizes the Commissioner to place on probation, suspend, revoke, or refuse to renew any license for "intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance": and

WHEREAS, N.C.G.S. 58-33-46(a)(8) authorizes the Commissioner to place on probation, suspend, revoke, or refuse to renew any license for "using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State;"

WHEREAS, the Department has not received any other complaints against Mr. Martin and has not previously taken any administrative action against Mr. Martin; and

WHEREAS, Mr. Martin contends that he did not intend to defraud anyone or to make any misrepresentations when he solicited Ms. Dickson to replace her Lincoln annuity with the SILAC annuity and when he completed and submitted Ms. Dickson's application for the SILAC annuity to SILAC Insurance Company; and

WHEREAS, Mr. Martin has surrendered his commission for the SILAC annuity; and

WHEREAS, Mr. Martin alleges that he did not know that it was not acceptable to place funds from a surrendered annuity which are intended to be used to purchase a replacement annuity into an investment account before using them to purchase the replacement annuity until he informed his supervisor about the replacement transaction a few months after he submitted the SILAC application; and

WHEREAS, Mr. Martin understands that he should not have taken and submitted the SILAC annuity application for Ms. Dickson since she is not a resident of North Carolina; and

WHEREAS, pursuant to N.C.G.S. § 58-2-70(g), the Commissioner of Insurance and the Department 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, Mr. Martin agrees to pay a civil penalty of four thousand dollars (\$4,000.00) for his violations of the foregoing insurance laws; 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 consideration of the promises and Agreements set out herein, the Department and Mr. Martin agree to the following:

1. Immediately upon signing this Agreement, Mr. Martin shall pay a civil penalty of four thousand dollars (\$4,000.00) to the Department. The form of payment shall be via wire transfer, certified check, cashier's check or money order. The check or money order for the payment shall be payable to the "North Carolina Department of Insurance." Mr. Martin shall remit payment or confirmation of payment by certified mail, return receipt requested, to the Department along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Department no later than **March 10, 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.
2. Mr. Martin agrees to comply with all statutory and regulatory requirements applicable to producers under Chapter 58 of the North Carolina General Statutes and Title 11 of the North Carolina Administrative Code.

3. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner of Insurance. Mr. Martin understands that N.C.G.S. § 58-33-46(a)(2) provides that a producer's license may be suspended or revoked if the producer has violated or refused to comply with an Order of the Commissioner.
4. Mr. Martin enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Mr. Martin has consulted with an attorney prior to entering into this Agreement.
5. This Agreement does not in any way affect the Department's disciplinary power in any future actions, cases or complaints involving Mr. Martin.
6. This Agreement, when finalized will be a public record and will not be treated as confidential. Mr. Martin's license record with the Department shall reflect that Regulatory Action has been taken against him following the execution of this Agreement. The Department may disclose the contents of this Agreement to third parties upon request or pursuant to any law or policy providing for such disclosure.
7. The parties to the Agreement have read and understood this Agreement and agree to abide by the terms and conditions contained herein.
8. Mr. Martin voluntarily waives any right to notice of an administrative hearing and any right to a hearing on the violations and disciplinary action referenced in this Agreement. Mr. Martin also waives any right to appeal and agrees not to challenge the validity of this Agreement in any way.
9. The promises, Agreements, representations, and consideration contained herein are not mere recitals but are contractual in nature.
10. This written document contains the entire Agreements between the parties. There are no other oral or written Agreements of any kind that alter or add to this Agreement.
11. This Agreement shall become effective when signed by Mr. Martin and the Agent Services Division.


Robert C. Martin


North Carolina Department of Insurance
Agent Services Division

By: Joe Wall
Deputy Commissioner

Date: 03/01/2024

Date: 3/7/2024