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APR -1 2016

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

CHECK NO. [REDACTED]
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STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF THE LICENSURE OF
STEVEN J. McHALE,
(NPN 16403326)

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME Steven J. McHale ("Agent") and the North Carolina Department of Insurance ("Department") and voluntarily and knowingly enter into the following Voluntary Settlement Agreement ("Agreement"):

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

WHEREAS, on December 22, 2015, Agent submitted an application ("Application") for a North Carolina resident insurance producer's license with a line of authority for Personal Lines ("New Resident License");

WHEREAS, Agent held a North Carolina non-resident insurance producer's license with a line of authority for Personal Lines from November 10, 2011 until January 15, 2016 ("Prior Non-Resident License"), when he surrendered the license as part of the Application; and

WHEREAS, on November 7, 2013, the California Department of Insurance issued an order restricting Agent's California insurance broker-agent's license and levying a \$250.00 fine on Agent for failing to report two misdemeanor motor-vehicle convictions; and

WHEREAS, on May 14, 2014, the California Department of Insurance retroactively revoked Agent's California insurance broker-agent's license (together with November 7, 2013 restriction and penalty, "California Actions") for failing to pay the \$250.00 fine levied on November 7, 2013; and

WHEREAS, on September 11, 2015, the South Dakota Department of Labor and Regulation - Division of Insurance revoked Agent's South Dakota insurance producer's license ("South Dakota Action") for failing to respond to an inquiry, for failing to update his address and for failing to report the May 14, 2014 revocation of his California license; and

WHEREAS, for the purposes of the Prior Non-Resident License, the California Actions and the South Dakota Action constitute administrative actions that Petitioner was required but failed to report to the Department within 30 days under N.C. Gen. Stat. § 58-33-32(k); and

WHEREAS, for the purposes of the Prior Non-Resident License, the Department attempted to contact Agent for information about the California Actions and the South Dakota Action but received no response prior to Agent's surrender of that license; and

WHEREAS, the California Actions and the South Dakota Action constitute administrative proceedings regarding an occupational license in which Agent was named or involved as a party and that Agent was required but failed to identify in his Application; and

WHEREAS, N.C. Gen. Stat. § 58-33-46(f) authorizes the Commissioner to enforce the provisions of, and impose any penalty or remedy authorized by, N.C. Gen. Ch. 58 against any person who is under investigation for or charged with a violation of the Chapter even if the person's license or registration has been surrendered or has lapsed by operation of law; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), the North Carolina 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 issued by the Department, or as to any civil penalty or restitution;

WHEREAS, the Parties mutually wish to resolve this matter by consent before any potential litigation concerning the Prior Non-Resident License or the Application; and

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

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

1. Immediately upon signing this Agreement, Agent shall pay a civil penalty of **Seven Hundred and Fifty Dollars and No Cents (\$750.00)** to the Department. The form of payment shall be by certified check, cashier's 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." Agent shall remit the civil penalty by certified mail, return receipt requested (attention: Robert Cunningham, ASD), to the Department along with the original of this Agreement bearing Agent's signature. The civil penalty and the signed Agreement must be received by the Department no later than April 5, 2016. 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. This Agreement shall become effective when signed by Agent and the Department. Upon the effective date of the Agreement, the Department will issue Agent the New Resident License.
3. Agent shall comply with all of the provisions of Chapter 58 of the North Carolina General Statutes and of Title 11 of the North Carolina Administrative Code that are applicable to Agent.

4. The Parties agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Agent understands that N.C. Gen. Stat. § 58-33-46(a)(2) provides that, after he receives it, Agent's New Resident License may be revoked for violating an Order of the Commissioner.
5. Agent enters into this Agreement freely and voluntarily and with knowledge of Agent's right to have an administrative hearing regarding this matter. Agent understands that Agent may consult with an attorney prior to entering into this Agreement.
6. This Agreement constitutes a complete settlement of all administrative penalties against Agent for the acts, policies or practices expressly addressed in this Agreement. Except as to the acts, policies or practices expressly addressed herein, this Agreement does not in any way affect the Department's disciplinary power in any future examination of Agent or in any other complaints involving Agent. In the event that Agent fails to comply with this Agreement or otherwise fails to comply with the laws and rules applicable to Agent, the Department may take any administrative or legal action it is authorized to take.
7. This Agreement, when finalized, will be a public record and is not confidential. The Department 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. Following the execution of this Agreement, any and all licenses issued by the Department to Agent shall reflect that Regulatory Action has been taken against Agent. The Department routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.
8. Agent understands and agrees that, if a state or federal regulator other than the Department has issued a permit or license to Agent, that regulator may require Agent to report this administrative action to it. Agent understands and agrees that the Department cannot give Agent legal advice as to the specific reporting requirements of other state or federal regulators.

NORTH CAROLINA DEPARTMENT OF
INSURANCE

[Redacted Signature]
Steven J. McHale

By: [Redacted Signature]

Angela K. Ford
Senior Deputy Commissioner

Date: 3/29/16

Date: April 7, 2016

