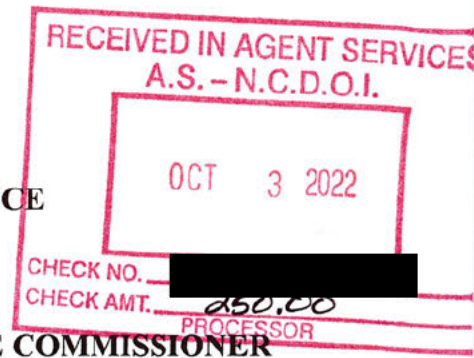


**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**



**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF THE LICENSURE
OF NICHOLAS R. PALUMBO
LICENSE NO. 2282576**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, the Agent Services Division (hereinafter "Agent Services") of the North Carolina Department of Insurance (hereinafter "the Department") and Nicholas R. Palumbo (hereinafter "Mr. Palumbo" or "Licensee") and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Agent Services Division regulates and licenses insurance agents in North Carolina; and

WHEREAS, Mr. Palumbo currently holds a nonresident insurance producer's license with authority for Variable Life & Variable Annuity, Life, and Accident & Health or Sickness lines of insurance issued by the North Carolina Department of Insurance; and

WHEREAS, prior to May 13, 2020, Mr. Palumbo was registered with the Financial Industry Regulatory Authority (FINRA) as an Investment Company and Variable Contracts Products Representative through FINRA member firm Park Avenue Securities, LLC; and

WHEREAS, on May 13, 2020, Park Avenue Securities, LLC disclosed to FINRA that the firm permitted Licensee to resign "while under investigation for failure to disclose an unapproved private securities transaction and soliciting clients to invest in same[;]" and

WHEREAS, on April 27, 2021, FINRA sent a request to Licensee for the production of documents and information about the alleged private securities transaction referenced in Park Avenue Securities, LLC's May 13, 2020 disclosure; and

WHEREAS, Licensee acknowledged that he received FINRA's April 27, 2021 request and has refused to produce the information and documents requested by FINRA, in violation of FINRA Rules 8210 and 2010; and

WHEREAS, Licensee and FINRA executed a Letter of Acceptance, Waiver and Consent in Matter No. 2020066651001 on June 2, 2021 wherein Licensee agreed to the imposition of a bar prohibiting Licensee from associating with any FINRA member in any capacity, including clerical or ministerial functions; and

WHEREAS, N.C. Gen. Stat. § 58-33-32(k) requires that licensed producers report to the Commissioner “any administrative action taken against the producer in any other state or by another governmental agency in this State within 30 days of the final disposition of the matter[]” and specifically notes that “[a]s used in this subsection, ‘administrative action’ includes enforcement action taken against the producer by the FINRA[;]” and

WHEREAS, Licensee admits that, by failing to report the FINRA Letter of Acceptance, Waiver and Consent to the Department within 30 days of June 2, 2021, Licensee violated N.C. Gen. Stat. § 58-33-32(k); and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(2) authorizes the North Carolina Insurance Commissioner to suspend, revoke, place on probation, or refuse to renew any license on the grounds that a licensee has “violat[ed] any insurance law of this or any other state, violat[ed] any administrative rule, subpoena, or order of the Commissioner or of another state’s insurance regulator, or violat[ed] any rule of the FINRA[;]” and

WHEREAS, Licensee admits and acknowledges that Licensee’s violation of FINRA Rules 8210 and 2010, as described in the June 2, 2021 Letter of Acceptance, Waiver and Consent, and Licensee’s violation of N.C. Gen. Stat. § 58-33-32(k) otherwise constitute good and adequate grounds for Agent Services to take adverse enforcement action against Licensee’s nonresident producer license, including, but not limited to, revocation of said license; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), Agent Services, as an authorized designee of the Commissioner of Insurance, has express authority to negotiate a mutually acceptable agreement with any person as to the status of the person’s North Carolina insurance license, or as to any civil penalty or restitution; and

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

WHEREAS, this Agreement is civil in nature and does not preclude criminal prosecution that may result from investigations, if any, conducted by the North Carolina Department of Insurance’s Criminal Investigation Division for violation of criminal laws; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Agent Services Division initiates an administrative hearing; and have reached a mutually agreeable resolution of this matter as set out in this Agreement.

NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, Mr. Palumbo and the Agent Services Division hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Palumbo shall pay a civil penalty of two hundred and fifty dollars (**\$250.00**) to the Agent Services Division. 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."

2. Upon signing this Agreement, Mr. Palumbo shall also execute the Voluntary Surrender of Line of Authority attached as **Exhibit A**. Together with the civil penalty payment and an original copy of this Agreement bearing Mr. Palumbo's signature, Mr. Palumbo shall return the signed and notarized Voluntary Surrender of Line of Authority form by certified mail, return receipt requested, addressed to "NCDOI Agent Services Division (Attention: Lisa Carrington-Webb), 1204 Mail Service Center, Raleigh, N.C. 27699-1204." **The civil penalty, signed Agreement, and signed Voluntary Surrender of Line of Authority must be received by the Department no later than Tuesday, October 4, 2022.** 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.
3. This Agreement does not in any way affect the Department's or the Agent Services Division's disciplinary power in any future examination of Mr. Palumbo, or in any other cases or complaints involving Mr. Palumbo.
4. Mr. Palumbo enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Palumbo has consulted with an attorney prior to entering into this Agreement.
5. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Palumbo understands that N.C.G.S. § 58-33-46(a)(2) provides that an insurance producer's or broker's license may be revoked for violating an Order of the Commissioner.
6. This Agreement, when finalized, will be a public record and will **not** be held confidential by the North Carolina Department of Insurance or the Agent Services Division. Following the execution of this Agreement, all licenses issued by the North Carolina Department of Insurance to Mr. Palumbo shall reflect that Regulatory Action has been taken against him. The North Carolina Department of Insurance 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. The North Carolina Department of Insurance routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.
7. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
8. This Agreement between Mr. Palumbo and the Agent Services Division shall become effective when signed by Mr. Palumbo and by Angela Hatchell, Deputy Commissioner of the Agent Services Division.
9. Be aware that if a state or federal regulator other than the North Carolina Department of Insurance has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The North Carolina Department of

Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.


N.C. License No. 228576

Date: 9/27/22

**AGENT SERVICES DIVISION OF THE
NORTH CAROLINA DEPARTMENT OF INSURANCE**

By:


Angela Hatchett
Deputy Commissioner of the Agent Services Division

Date: 10/3/2022



VOLUNTARY SURRENDER OF LINE OF AUTHORITY
(N.C.G.S. §58-2-65)

I, Nicholas R. Palumbo (NPN 2282576), hereby voluntarily surrender my license to make application for, procure, negotiate for, or place for others, any policies for **Variable Life & Variable Annuity Products** (N.C. Gen. Stat. § 58-33-26(c1)(8)) issued to me by the North Carolina Department of Insurance (NCDOI) for a period of thirty (30) years. I understand and acknowledge that effective immediately, I can no longer perform any activities for which a license and line of authority for **Variable Life & Variable Annuity Products** from NCDOI is required.

I understand and agree that I may not request relicensure for **Variable Life & Variable Annuity Products** from NCDOI during the period of license surrender. I also understand that submitting an application for relicensure does not guarantee reissuance of the surrendered license.

I understand my right to an administrative hearing and to judicial review after such a hearing, and I hereby voluntarily give up those rights.

I understand that this Voluntary Surrender is equivalent to the taking of regulatory action by NCDOI. I also understand that this Voluntary Surrender will be a public record and is not confidential. NCDOI is free to disclose this Voluntary Surrender to third parties upon request or pursuant to any law or policy providing for such disclosure.

I acknowledge that I have had the opportunity to consult with an attorney prior to execution of this Voluntary Surrender.

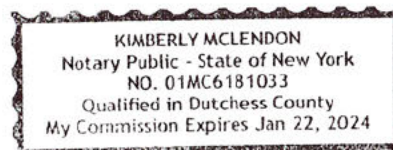
This 27th day of Sept, 2022.

[Redacted Signature]

Nicholas R. Palumbo

Sworn to and subscribed before me

This 27th day of September, 2022.



[SEAL]

[Redacted Signature]

Notary Public

My Commission expires: 01/22/2024

**EXHIBIT
A**