

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)	ORDER AND
THOMAS SCHECHER)	<u>FINAL AGENCY DECISION</u>
(NPN #19398768))	
)	Docket No. 2196
Respondent.)	
)	

THIS MATTER was heard on September 11, 2024, by the undersigned Hearing Officer, as designated by the Commissioner of Insurance (“Commissioner”) pursuant to N.C. Gen. Stat. § 58-2-55. The administrative hearing was held in Hearing Room #131 of the Albemarle Building, located at 325 North Salisbury Street, Raleigh, Wake County, North Carolina.

Assistant Attorney General Dilcy Burton was present and represented the North Carolina Department of Insurance (“Department” or “NCDOI”), Agent Services Division (“Petitioner” or “Agent Services”). Respondent Thomas Schecher, proceeding *pro se*, did not appear. Nadine Scott (“Scott”), Supervisor of Complaint Analysts with Agent Services, appeared and testified for the Department. Scott supervised the Complaint Analyst who was responsible for the file of Respondent.

Agent Services offered into evidence Petitioner’s Exhibits 1 through 17, which were admitted into evidence with the exception of redactions of personally identifiable information (“PII”) from Petitioner Exhibits 7, 8, and 9.¹

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:

¹ While exhibits with attempted redactions were offered by counsel for Petitioner at the hearing, the attempted redactions did not fully obscure the PII. A final copy of the redacted exhibits fully obscuring the PII was subsequently provided to the Court by counsel for Petitioner and these redacted exhibits are accepted into the court file as exhibits in place of the exhibits with unobscured PII. The final copies of the redacted exhibits are the same documents initially presented at hearing without full obscuration.

FINDINGS OF FACT

1. The Petition, Notice of Administrative Hearing, Order for Prehearing Statements, Petitioner's Prehearing Statements, Petitioner's Motion to Continue Hearing, Continuance and Scheduling Order were properly served on Respondent by FedEx priority overnight delivery on August 15, 2024. *See* Pet'r Exs. 1- 6.

2. NCDOI is a state agency responsible for the enforcement of the insurance laws of North Carolina and for regulating the licensing of insurance producers, in accordance with Chapter 58 of the North Carolina General Statutes.

3. Since July 11, 2022, Respondent holds a nonresident insurance producer license with lines of authority in property and casualty. *See* Pet'r Exs. 7 and 8.

4. Scott testified that NCDOI sent correspondence to Respondent's previously valid address of Thomas Schecher, 13 E Burlington Street, Iowa City, IA 52240 to notify the Respondent of potential violations of North Carolina insurance laws. *See* Pet'r Exs. 15 and 16.

5. North Carolina requires insurance producers to report contact changes, including changes of address, within ten (10) days of any change to contact information. *See* Pet'r Ex. 17.

6. Respondent updated the mailing address with NCDOI after NCDOI sent notices to the Respondent on February 28, 2023, and June 30, 2023, and after the State of New York Department of Financial Services sent notice to the Respondent on November 30, 2022. *See* Pet'r Exs. 11, 15 and 16.

7. Respondent's updated address was used to mail the Notice of Administrative Hearing and other pleadings delivered on August 15, 2024, to the attention of Respondent. The pleadings were mailed to Thomas Schecher, 650 E Elm Street, Apt. 432, Des Moines, Iowa 50309. *See* Pet'r Ex. 2.

8. Respondent's New York administrative action came to the attention of the Department through a "PIC alert", which is an automatic notification system through the NAIC ("National Association of Insurance Commissioners"). *See* Pet'r Ex. 9.

9. A licensee may report an administrative action against a licensee by uploading a copy of the administrative action to the NIPR attachment warehouse or reporting the administrative action directly to NCDOI. *See* Pet'r Ex. 10.

10. On or about November 30, 2022, the State of New York Department of

Financial Services denied the application of Respondent on the grounds that the Respondent demonstrated untrustworthiness and incompetence within the meaning and intent of New York insurance law. *See* Pet'r Ex. 11.

11. A screenshot of the NIPR attachment warehouse for Respondent's name and national producer number were introduced into evidence. The screenshot indicated that Respondent did not timely report the New York administrative action within thirty (30) days of its effective date of November 30, 2022. *See* Pet'r Exs. 10 and 11.

12. On February 15, 2023, and March 1, 2023, Scott's subordinate contacted Respondent at Respondent's contact information on record. At that time, the contact information for the Respondent was the email addresses of tschecher@polly.co and tomschecher@gmail.com and the mailing address of 13 E Burlington Street, Iowa City, IA 52240. *See* Pet'r Exs. 7-8, 15 and 16.

13. Scott's subordinate notified Respondent of Respondent's responsibilities to report any adverse actions from other states to NCDOI and to invite the Respondent to meet with NCDOI. *See* Pet'r Exs. 15 and 16.

14. An informal conference was scheduled for the Respondent on May 1, 2023, at 2:00 PM. NCDOI contacted Respondent at the telephone number on record for Respondent at 515-720-6469 for this meeting. *See* Pet'r Exs. 7 and 17.

15. Testimony and documentary evidence admitted at the hearing show that the Respondent did not provide timely and acceptable notice of the New York administrative action to NCDOI in the NIPR attachment warehouse. *See* Pet'r Exs. 10 and 17.

16. Respondent did not timely fax, USPS mail or e-mail notice of the adverse administrative action from the state of New York to NCDOI. *See* Pet'r Exs 11 and 17.

CONCLUSIONS OF LAW

1. This matter is properly before the Commissioner, and the Commissioner has jurisdiction over the parties and the subject matter pursuant to Chapter 58 of the North Carolina General Statutes.

2. The Notice of Administrative Hearing and respective pleadings were properly served on Respondent pursuant to 26 USC Section §7502(f)(2).

3. N.C. Gen. Stat. § 58-33-32(k) requires an insurance 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 was required to report the New York administrative action, effective November 30, 2022, within thirty (30) days of the effective date of the action pursuant to N.C. Gen. Stat. § 58-33-32(k). *See* Pet'r Ex. 11.

5. Respondent's failure to report and provide copies of the notice for the administrative action from the State of New York Department of Financial Services within thirty (30) days of the effective date of the action is a violation of N.C. Gen. Stat. § 58-33-32(k). *See* Pet'r Ex. 11.

6. N.C. Gen. Stat. § 58-33-46(a)(2) allows the Commissioner to place on probation, suspend, revoke, or refuse to renew any license issued under this Article for a licensee violating any insurance law of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or of another state's insurance regulator or violating any rule of the Financial Industry Regulatory Authority ("FINRA").

7. N.C. Gen. Stat. § 58-33-46(a)(9) provides that NCDOI may place on probation, suspend, revoke or refuse to renew a license if a licensee has an insurance producer license or its equivalent denied, suspended or revoked in any other jurisdiction.

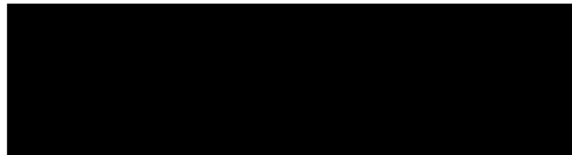
8. Respondent's violations of N.C. Gen. Stat. §§ 58-33-32(k), 58-33-46(a)(2) and 58-33-46(a)(9) provide the statutory authority for revoking Respondent's North Carolina insurance producer license.

Based upon the foregoing Findings of Fact and Conclusions of Law the following order is rendered.

ORDER

It is ORDERED that Respondent's nonresident insurance producer license be REVOKED effective as of the date of the signing of this Order.

This 22nd day of November, 2024.



Amy Funderburk
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 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: 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; and via first class U.S. Mail to the licensee at the addresses provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b); and via State Courier to Attorney for Petitioner addressed as follows:

Thomas Schecher
650 E Elm Street, Apt 432
Des Moines, IA 50309-5014
(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 0742 5895 01

Thomas Schecher
1075 Spruce Street
Waukegan, IA 50263-9202
(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 0742 5894 88

Dilcy Burton
Assistant Attorney General
N.C. Department of Justice
Insurance Section
9001 Mail Service Center
Raleigh, NC 27699-9001

This the 22nd day of November, 2024.


Kimberly W. Pearce, NCCP
Clerk of Court for Administrative Hearings
Paralegal III
N.C. Department of Insurance
1201 Mail Service Center
Raleigh, NC 27699-1201