



## FINDINGS OF FACT

1. The North Carolina Department of Insurance (“NCDOI”) is a state agency responsible for enforcement of the insurance laws of North Carolina and for regulating and licensing insurance producers, in accordance with Chapter 58 of the North Carolina General Statutes.

2. The Notice of Administrative Hearing and Petition for Administrative Hearing were properly served on Respondent by depositing in the United States Postal Service via first-class mail and via certified mail, return receipt requested, pursuant to N.C. Gen. Stat. §§ 58-2-69(b), (d), and (e) and Rule 4 of the North Carolina Rules of Civil Procedure. *See* Pet’r’s Exs. 1 and 2. The certified mail was forwarded to a different address per forwarding instructions, and the first-class mail was not returned.

3. Respondent holds an active non-resident North Carolina Insurance Producer License, National Producer Number 20786910, with a line of authority in Personal Lines (“License”). Respondent’s License was first active in North Carolina on September 11, 2023, and expires on March 31, 2026. Respondent is a resident of Oklahoma. *See* Pet’r’s Exs. 3 and 4.

4. Matthew Reck is a Complaint Analyst with Agent Services, and his job responsibilities include handling enforcement files for Agent Services. This includes handling an investigation of a licensee if another state takes administrative action against the licensee. Administrative actions are reflected on the Regulatory Information Retrieval System (“RIRS”) report, which is an automatic notification system through the National Association of Insurance Commissioners (“NAIC”). This system generates Personalized Information Capture System alerts (“PIC alert”) that notify the NCDOI if another state has taken administrative action against a North Carolina licensee.

5. Matthew Reck assumed responsibility for the investigation pertaining to Respondent after another Complaint Analyst, Lindsay Melgarejo, left her position with Agent Services. He reviewed the contents of the file and all documents prepared by Ms. Melgarejo and testified to their accuracy.

6. Matthew Reck was assigned the PIC alerts relating to Respondent. Specifically, the PIC alerts regarding administrative actions against Respondent coming from the Florida Department of Financial Services (“Florida”) entered into NAIC on March 12, 2024, the Louisiana Department of Insurance (“Louisiana”) entered into NAIC on April 1, 2025, and the Commonwealth of Virginia State Corporation Commission (“Virginia”) entered into NAIC on April 2, 2025. *See* Pet’r’s Ex. 5.

7. As part of his investigation, Matthew Reck obtained a certified copy of the Notice of Denial issued by the Florida Department of Financial Services, Bureau of Agent and Agency Licensing (“Florida administrative action”). *See* Pet’s Ex. 10. On November 29, 2023, Respondent’s application for a non-resident insurance producer license was denied due to a June 20, 2007 felony conviction and Respondent’s failure to disclose the felony conviction on her Florida license application. *Id.* The denial became effective twenty-one (21) days after receipt of the November 29, 2023 letter if Respondent failed to timely request a hearing. *Id.* Based on its language, the Florida administrative action would have been effective on or around December 20, 2023.

8. As part of his investigation, Matthew Reck also obtained a certified copy of the Notice of Revocation issued by Matthew Stewart, Deputy Commissioner, Office of Licensing and Compliance with the Louisiana Department of Insurance (“Louisiana administrative action”). *See* Pet’s Ex. 11. On January 31, 2025, Louisiana revoked Respondent’s non-resident insurance producer license due to her failure to report the Florida administrative action and her failure to respond to Louisiana’s request for information. *Id.* The revocation became effective ten (10) days after issuance of the January 31, 2025 Notice. *Id.* Based on its language, the Louisiana administrative action would have been effective on February 10, 2025.

9. As part of his investigation, Matthew Reck also obtained a certified copy of the Order Revoking License issued by the Commonwealth of Virginia State Corporation Commission (“Virginia administrative action”). *See* Pet’s Ex. 12. On March 31, 2025, Virginia revoked Respondent’s non-resident insurance producer license on the grounds that Respondent failed to report the administrative action taken against Respondent by another jurisdiction, she provided materially incorrect, misleading, incomplete or untrue information in her license application, and she was convicted of a felony. *Id.*

10. A licensee is obligated to report any administrative action taken against the licensee to the NCDOI within thirty (30) days of the action’s final disposition. *See* N.C. Gen. Stat. § 58-33-32(k). A licensee may report an administrative action by uploading a copy of the administrative action to the National Insurance Producer Registry (“NIPR”) Attachment Warehouse or reporting it directly to the NCDOI via mail, e-mail, or fax.

11. The NIPR Attachment Warehouse shows that Respondent did not report the Florida administrative action within thirty (30) days from its effective date of on or around December 20, 2023. *See* Pet’s Ex. 6. Respondent did not report the Louisiana administrative action within thirty (30) days from its effective date of February 10, 2025, nor did she report the Virginia administrative action within thirty (30) days from its effective date of March 31, 2025. *Id.* Furthermore, Respondent did not report the December 20, 2023 Florida administrative action, the February 10,

2025 Louisiana administrative action, or the March 31, 2025 Virginia administrative action directly to the NCDOI.

12. Additionally, on September 11, 2023, Respondent submitted an application to the NCDOI seeking a non-resident insurance producer license. *See* Pet'r's Ex. 8. On her application, Respondent answered "No" to the background question which asked, "Have you ever been convicted of a felony, had a judgment withheld or deferred, or are you currently charged with committing a felony?" *Id.*

13. Respondent eventually submitted certified court documentation directly to the NCDOI that Respondent did in fact have a June 20, 2007 felony conviction for possession with intent to distribute marijuana, for which she was imprisoned for thirty-seven (37) months. *See* Pet'r's Exs. 7 and 9. Respondent did not submit the documentation to the NCDOI until approximately six (6) months after the submission of her license application. *See* Pet'r's Ex. 7.

14. A licensee is obligated to submit a license application to become an insurance producer that is materially correct, not misleading, complete, and materially true. *See* N.C. Gen. Stat. § 58-33-46(a)(1). On the September 11, 2023 non-resident insurance producer license application, Respondent provided materially incorrect and materially untrue information in the license application when she indicated that she had not ever been convicted of a felony.

15. On April 1, 2024, Agent Services sent correspondence via e-mail to Respondent's e-mail address of record informing Respondent that Agent Services was aware of the unreported Florida administrative action and advising that it should have been reported within thirty (30) days of November 29, 2023, per N.C. Gen. Stat. § 58-33-32(k). *See* Pet'r's Ex. 13. Additionally, this correspondence advised Respondent that she failed to disclose on her license application that she was adjudicated guilty of a felony on June 20, 2007, which is a violation of N.C. Gen. Stat. §§ 58-33-46(a)(1) and 58-33-46(a)(3). *Id.* Respondent was instructed to provide a written response, along with any documentation regarding these matters within ten (10) days. *Id.* Agent Services did not receive a bounce-back message or any other indication that the e-mail sent to Respondent was not delivered. *See* Pet'r's Ex. 7. Respondent failed to provide any response to this correspondence.

16. On April 15, 2024, Agent Services sent a follow-up correspondence via e-mail to Respondent's e-mail address of record noting that Respondent failed to provide a response and the requested documentation requested in the April 1, 2024 correspondence. *See* Pet'r's Ex. 14. This April 15, 2024 correspondence gave Respondent notice that unless she provided a response to Agent Services within ten (10) days, Agent Services would consider Respondent to be in violation of N.C. Gen. Stat. §§ 58-2-185 and 58-2-195 and may consider proceeding with an administrative action against her license. *Id.*

17. On April 15, 2024, Respondent replied to the April 1, 2024 e-mail from Agent Services explaining that she didn't disclose the 2007 felony conviction on her application because she thought after seven years she didn't have to and that Florida denied her application because of the felony. *See* Pet'r's Ex. 15. Respondent attached the court documents for the felony conviction to the e-mail, but she did not attach or upload the Florida administrative action. *Id.*

18. On April 16, 2024, Agent Services replied to Respondent's April 15, 2024 e-mail and advised that to be compliant with N.C. Gen. Stat. § 58-33-32(k), Respondent needed to report the Florida administrative action by providing a copy of the action, as well as a statement explaining why it was not reported timely. This e-mail explained that it wasn't sufficient to just describe the reason underlying the administrative action. *See* Pet'r's Ex. 16.

19. On April 24, 2024, Agent Services sent correspondence via first-class mail to Respondent's residential address of record and e-mailed a copy of the letter to Respondent's e-mail address of record requesting that Respondent attend an informal conference to discuss the Florida administrative action as well as other possible violations of N.C. Gen. Stat. §§ 58-33-46(a)(1), 58-33-46(a)(2), and 58-33-46(a)(3). The informal conference was scheduled for Respondent on May 22, 2024 at 10:00 a.m. eastern time via the telephone. *See* Pet'r's Ex. 17. Respondent failed to provide any response to this correspondence.

20. Respondent did not attend the May 22, 2024 informal telephonic conference at the appointed time of 10:00 a.m., but she contacted Agent Services later that day. *See* Pet'r's Ex. 7. Further efforts of Agent Services to try and resolve this matter, at and following the informal conference, were unsuccessful.

21. On April 9, 2025, Agent Services sent correspondence via first-class mail to Respondent's residential address of record and e-mailed a copy of the letter to Respondent's e-mail address of record advising Respondent that she failed to respond to the NCDOT's repeated attempts to resolve this matter and she failed to appear at the informal conference. *See* Pet'r's Ex. 18. This correspondence also set forth Agent Services' allegations that Respondent's denial of a prior felony was grounds for disciplinary action against her License pursuant to N.C. Gen. Stat. § 58-33-46(a)(1), given her untrue answer on the license application, and that Respondent violated N.C. Gen. Stat. § 58-33-32(k) for not reporting the Florida administrative action and the Louisiana administrative action, which was grounds for disciplinary action against her License pursuant to N.C. Gen. Stat. § 58-33-46(a)(2). *Id.* This correspondence also informed Respondent that Agent Services were aware of the unreported Virginia administrative action, which would be considered a late report if not submitted by April 30, 2025. *Id.* This correspondence informed Respondent that formal proceedings would be instituted under Article 3A of Chapter 150B, and an

administrative hearing would be scheduled in Raleigh, N.C. at a time and date to be determined. *Id.* Respondent failed to provide any response to this correspondence.

22. As of the date of the hearing, Respondent had failed to report the December 20, 2023 Florida administrative action, the February 10, 2025 Louisiana administrative action, and the March 31, 2025 Virginia administrative action directly to the NCDOI or via the NIPR Attachment Warehouse.

### 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.

2. Respondent was properly served with the Notice of Administrative Hearing (“Notice”) and Petition for Administrative Hearing (“Petition”) in this matter pursuant to N.C. Gen. Stat. §§ 58-2-69(d) and (e) and Rule 4 of the North Carolina Rules of Civil Procedure. Service of the Notice and Petition to Respondent’s residential address of record was complete on or about May 6, 2025. *See* Pet’r’s Ex. 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 within 30 days after the final disposition of the matter and to include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the action. Respondent was required to report the Florida administrative action (effective on or around December 20, 2023), the Louisiana administrative action (effective February 10, 2025), or the Virginia administrative action (effective March 31, 2025) within thirty (30) days of each action’s final disposition.

4. Respondent’s failure to report and provide copies of the December 20, 2023 Florida administrative action, the February 10, 2025 Louisiana administrative action, and the March 31, 2025 Virginia administrative action directly to the NCDOI or via the NIPR Attachment Warehouse within thirty (30) days of each action’s final disposition are violations of N.C. Gen. Stat. § 58-33-32(k).

5. N.C. Gen. Stat. § 58-33-46(a)(2) allows the Commissioner to place on probation, suspend, or revoke the license of a licensee who 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 non-resident insurance producer license is subject to disciplinary action due to Respondent’s violations of N.C. Gen. Stat. § 58-33-32(k) for

failing to timely report the December 20, 2023 Florida administrative action, the February 10, 2025 Louisiana administrative action, and the March 31, 2025 Virginia administrative action within thirty (30) days of each action's final disposition.

7. N.C. Gen. Stat. § 58-33-46(a)(1) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew any license issued under Article 58 of the General Statutes of North Carolina for a licensee providing materially incorrect, misleading, incomplete, or materially untrue information in the license application.

8. Respondent's denial of ever having a felony conviction on her September 11, 2023 non-resident insurance producer license application was a materially incorrect and materially untrue answer as Respondent had a June 20, 2007 felony conviction. By failing to disclose her felony conviction on her license application, Respondent provided materially incorrect and untrue information in her license application, in violation of N.C. Gen. Stat. § 58-33-46(a)(1).

9. N.C. Gen. Stat. §58-33-46(a)(3) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew any license issued under Article 58 of the General Statutes of North Carolina for a licensee obtaining or attempting to obtain a license through misrepresentation or fraud.

10. Petitioner failed to present documentary or testimonial evidence to address all elements of misrepresentation or fraud to establish Respondent obtained her non-resident insurance producer license through misrepresentation or fraud. Thus, the violation of N.C. Gen. Stat. §58-33-46(a)(3) will not be considered by the undersigned.

11. Respondent's violation of N.C. Gen. Stat. § 58-33-46(a)(2), by itself, is sufficient grounds to support suspension or revocation of Respondent's non-resident insurance producer license.

12. Respondent's violation of N.C. Gen. Stat. § 58-33-46(a)(1), by itself, is also sufficient grounds to support suspension or revocation of Respondent's non-resident insurance producer license.

13. N.C. Gen. Stat. § 58-2-70(c) provides that if, under subsection (b) of this section, the Commissioner finds a violation of this Chapter, the Commissioner may, in addition to or instead of suspending or revoking the license, order the payment of a monetary penalty as provided in subsection (d) of this section. Respondent's failure to report and provide copies of the Florida administrative action, the Louisiana administrative action, and the Virginia administrative action within thirty (30) days of each action's final disposition subjects Respondent's non-resident insurance producer license to suspension or revocation in accordance with N.C. Gen. Stat. § 58-2-70(b).

**ORDER**

BASED UPON the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer enters the following:

It is ORDERED that Respondent's non-resident insurance producer license issued by the North Carolina Department of Insurance is hereby **REVOKED** effective five (5) days from the signing of this Order.

This 10<sup>th</sup> day of July, 2025.



Shannon Wharry  
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 11 NCAC 1.0413 and N.C. Gen. Stat. § 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, including explicitly stating what exceptions are taken to the decision or procedure and what relief the petitioner seeks, and requires service of the Petition by personal service or by certified mail upon all who were parties of record to the administrative proceedings. 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 Respondent at the address the licensee provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b), (d) and (e); and via State Courier to Attorney for Petitioner, addressed as follows:

PHINESIA TAYLOR  
24687 State Highway 74  
Purcell, OK 73080  
*(Respondent)*

**Certified Mail Tracking Number: 9589 0710 5270 2731 6468**

Kristin K. Mullins  
Assistant Attorney General  
N.C. Department of Justice  
Insurance Section  
9001 Mail Service Center  
Raleigh, NC 27699-9001  
*(Attorney for Petitioner)*

This the 10<sup>th</sup> day of July, 2025.



Raheema I. Moore  
Clerk of Court for Administrative Hearings  
Paralegal III  
N.C. Department of Insurance  
General Counsel's Office  
1201 Mail Service Center  
Raleigh, NC 27699-1201