

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  
STEPHEN JIKE WILLIAMS  
(NPN #7658877)

Respondent.

ORDER AND FINAL  
AGENCY DECISION

Docket Number: 2213

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**THIS MATTER** was heard on August 22, 2024, by the undersigned Hearing Officer, as designated by the Commissioner of Insurance ("Commissioner") pursuant to N.C. Gen. Stat. § 58-2-55 and other applicable statutes and regulations. The administrative hearing was held in Hearing Room # 131 of the Albemarle Building, located at 325 North Salisbury Street, Raleigh, Wake County, North Carolina.

Petitioner, the Agent Services Division of the North Carolina Department of Insurance ("Petitioner" or "ASD"), was present and represented by Assistant Attorney General Dilcy Burton. Respondent, Stephen Jike Williams ("Respondent") appeared on his own behalf and was not represented by counsel at the hearing.

Tommy Walls, Senior Complaint Analyst for ASD, appeared and testified on behalf of the Petitioner. Respondent appeared and testified on behalf of himself. Respondent's dad, Billy Williams and Respondent's mom, Jayne Purdy appeared and testified on behalf of Respondent as character witnesses.

Petitioner's Exhibits 1-16 were admitted into evidence with redactions from Petitioner's Exhibits 7 and 8. Respondent's Exhibit A was admitted into evidence over objections from Petitioner regarding authenticity, hearsay, and proper foundation.

BASED UPON careful consideration of the documentary and testimonial evidence introduced at the hearing and upon the entire record in the proceeding, the Hearing Officer hereby makes the following Findings of Fact and Conclusions of Law:

## FINDINGS OF FACT

1. The North Carolina Department of Insurance (“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.

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 U.S. Mail and via certified U.S. 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 Exs. 1 and 2. The certified mail was delivered. *Id.*

3. Respondent holds an active resident North Carolina insurance producer license, National Producer Number 7658877, with lines of authority for Life, Accident & Health or Sickness, and Medicare Supplement/Long Term Care (“License”). *See* Pet’r Exs. 7 and 8. Respondent’s resident North Carolina insurance producer license was first active on April 8, 2003. *Id.*

4. On November 28, 2022, the Grand Jury in the United States District Court for the Middle District of North Carolina indicted Respondent on four counts (“Indictment”). *See* Pet’r Exs. 3 and 4.

5. On February 24, 2023, Respondent signed a plea agreement (“Plea Agreement”) in which Respondent agreed to enter a voluntarily plea of guilty to count two “knowingly and willfully did transmit in interstate and foreign commerce a communication, a TikTok video, which contained threats to injure the person of another, that is Federal Bureau of Investigation agents; in violation of Title 18, United States Code, section 875(c).” *See* Pet’r Exs. 3 and 4. The Plea Agreement provided for the dismissal of counts one, three, and four upon acceptance by the Court of the guilty plea and at the conclusion of the sentencing hearing. *Id.*

6. On March 6, 2023, Respondent attended a court proceeding held in the United States District Court for the Middle District of North Carolina before Judge Loretta C. Biggs where the Court reviewed the Plea Agreement, found Respondent competent to enter a guilty plea, accepted the plea of guilty, and adjudged Respondent guilty. *See* Resp’t Ex. A. The sentencing was set for August 16, 2023, and subsequently continued to December 28, 2023. *Id.*

7. On December 28, 2023, Judge Loretta C. Biggs signed a document entitled ‘Judgment in Criminal Case’ (“Judgment”) which showed Respondent plead guilty to count two, and that counts one, three, and four were dismissed on motion of the United States, and provided for sentencing of Respondent, which included time



served and supervised release for three years, and disposition of evidence upon completion of the time for appeal. *See* Pet'r Ex. 16.

8. Respondent was incarcerated on or about November 28, 2022 through December 28, 2023.

9. A licensee may report a conviction or criminal prosecution by uploading documents to the National Producer Registry ("NIPR") Attachment Warehouse or reporting it directly to the NCDOL. On May 8, 2023, Respondent uploaded documents to the NIPR Attachment Warehouse under background questions to an application type of "non-resident licensing" and "non-resident renewal." *See* Pet'r Ex. 9. The document submitted to the application type of "non-resident licensing" was a written statement signed by Respondent, dated May 8, 2023, explaining that he was charged and awaiting sentencing for one count of making threats via interstate commerce, violating Title 18, United States Code, Section 875c. *See* Pet'r Ex. 10. The statement further states that Respondent was charged for allegedly exposing FBI corruption and other FBI malicious prosecution and that it was never his intent to threaten or harm anyone. *Id.* The documents submitted to the application type of "non-resident renewal" were copies of the Indictment and Plea Agreement. *See* Pet'r Ex. 11.

10. Tommy Walls is a Senior Complaint Analyst with ASD, and his job responsibilities include handling enforcement files for ASD. He was assigned to Respondent's case on or about May 12, 2023.

11. On May 12, 2023, ASD sent an e-mail to Respondent's e-mail address of record notifying him that ASD received information that Respondent entered a plea of guilty on February 24, 2023, and that this would be a violation of N.C. Gen. Stat. § 58-2-69(c). *See* Pet'r Ex. 12. The e-mail notified Respondent that he reported the guilty plea on May 8, 2023 which was after the ten (10) day requirement of N.C. Gen. Stat. § 58-2-69(c). *Id.* Respondent responded that he was unaware of reporting requirement and apologized.

12. On May 17, 2023, ASD sent written correspondence via U.S. Mail to Respondent's residential address of record and e-mailed a copy of the letter to Respondent's e-mail address on record requesting that Respondent attend an informal conference to discuss the allegations. *See* Pet'r Ex. 13. The informal conference was scheduled for Respondent on June 27, 2023, at 10:00 a.m. eastern time via the telephone. *Id.*

13. On June 26, 2023, ASD sent another e-mail to Respondent's e-mail address of record to remind Respondent of the informal telephonic conference that was scheduled for the next day. *See* Pet'r Ex. 14.

14. At the June 27, 2023 informal telephonic conference, Respondent

answered the call from ASD. Respondent admitted to pleading guilty to a felony and reporting the Indictment and Plea Agreement on May 8, 2023 via the NIPR Attachment Warehouse. *See* Pet'r Ex. 15. Respondent explained that it was never his intent to hide any of this information from the NCDOI and he was unaware of the reporting requirements. *Id.* Respondent did report to NIPR Attachment Warehouse under his business, Green Tree Insurance & Financial Services, Inc. during its renewal process. *Id.*

15. Pursuant to N.C. Gen. Stat. § 58-2-69(c), a licensee is obligated to notify the NCDOI in writing of a conviction for any crime or offense other than a motor vehicle infraction within ten (10) days after the date of the conviction. A "conviction" includes an adjudication of guilt, a plea of guilty, or a plea of nolo contendere. *Id.* The Plea Agreement does not constitute a 'plea of guilty' until accepted by the Court. Respondent's entry of a plea of guilty to count two and acceptance by the Court during the March 6, 2023 court proceeding was a conviction. Respondent did not notify the NCDOI in writing of the conviction within ten (10) days after March 6, 2023. Moreover, Respondent did not report the Judgment within ten (10) days after December 28, 2023.

16. Pursuant to N.C. Gen. Stat. § 58-33-32(l), a licensee is obligated to report to the NCDOI any criminal prosecution of the licensee within thirty (30) days after the initial pretrial hearing date or similar proceeding. The report shall include a copy of the initial complaint filed, the order resulting from the hearing or similar proceeding, and any other information or documents filed in the proceeding necessary to describe the prosecution. *Id.* The Indictment was a document filed in an initial proceeding describing the prosecution. Respondent did not report the Indictment within thirty (30) days after November 28, 2022.

17. The National Producer Number ("NPN") is different for Respondent and Respondent's business, Green Tree Insurance & Financial Services, Inc., and the NIPR Attachment Warehouse does not cross-reference information. Although Respondent was under an incorrect assumption, he was attempting to notify the NCDOI on March 21, 2023, when he uploaded a written statement that included his name and address to the NIPR Attachment Warehouse under his business' NPN and answered "yes" to the question of whether any owner of the business entity has been convicted of or is currently charged with committing a felony on his business' renewal license application.

18. Respondent's plea of guilty was a felony conviction but the offense of communicating threats in interstate commerce is not a crime involving dishonesty, a breach of trust, or moral turpitude in violation of § 58-33-46(a)(6).



## 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 and Petition for Administrative Hearing pursuant to N.C. Gen. Stat. §§ 58-2-69(d) and (e) and Rule 4 of the North Carolina Rules of Civil Procedure.

3. N.C. Gen. Stat. § 58-2-69(c) requires a licensee to report to the Commissioner in writing of a conviction in any court of competent jurisdiction of any crime or offense other than a motor vehicle infraction within ten (10) days after the date of the conviction. A “conviction” under this subsection includes an adjudication of guilt, a plea of guilty, or a plea of nolo contendere. *Id.* Respondent’s guilty plea constitutes a conviction and his failure to report the conviction within ten (10) days after March 6, 2023 or the Judgment within ten (10) days after December 28, 2023 is a violation of N.C. Gen. Stat. § 58-2-69(c).

4. N.C. Gen. Stat. § 58-33-32(l) requires a licensee to report to the NCDOJ any criminal prosecution of the licensee within thirty (30) days after the initial pretrial hearing date or similar proceeding. The report shall include a copy of the initial complaint filed, the order resulting from the hearing or similar proceeding, and any other information or documents filed in the proceeding necessary to describe the prosecution. *Id.* The Indictment was a document filed in an initial proceeding describing the prosecution. Respondent’s failure to report the Indictment within thirty (30) days after November 28, 2022 is a violation of N.C. Gen. Stat. § 58-33-32(l).

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. Respondent’s resident insurance producer license is subject to disciplinary action due to his violations of N.C. Gen. Stat. § 58-2-69(c) and N.C. Gen. Stat. § 58-33-32(l) for failing to timely report his conviction and Indictment.

6. N.C. Gen. Stat. § 58-33-46(a)(6) allows the NCDOJ to place on probation, suspend, or revoke the license of a licensee who has been convicted of a felony or a misdemeanor involving dishonesty, a breach of trust, or moral turpitude. Respondent’s felony conviction does not subject his license to disciplinary action pursuant to N.C. Gen. Stat. § 58-33-46(a)(6).

7. 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 the conviction within ten (10) days after March 6, 2023 or the Judgment within ten (10) days after December 28, 2023, and his failure to report the Indictment within thirty (30) days after November 28, 2022 subjects Respondent's 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 hereby ORDERED that in lieu of suspension or revocation of Respondent's resident insurance producer license issued by the North Carolina Department of Insurance, Respondent shall pay a civil penalty of two hundred and fifty dollars (\$250.00) within thirty (30) days from the signing of this Order.

The payment of this civil penalty shall be made by certified check, cashier's check, or money order. The check or money order for this civil penalty shall be made payable to the "North Carolina Department of Insurance". Respondent shall remit the civil penalty along with a copy of this Order to the North Carolina Department of Insurance, (Attention: Agent Services Division), 1204 Mail Service Center, Raleigh, North Carolina 27699-1204.

It is hereby ORDERED that Respondent will upload to the National Producer Registry Attachment Warehouse a copy of the United States District Court for the Middle District of North Carolina Criminal Docket for Case, Internal Use Only document (See Resp't Ex. A) and a copy of the United States District Court Middle District of North Carolina Judgment in Criminal Case document (See Pet'r Ex. 16) within ten (10) days from the signing of this Order.

Please take notice that, pursuant to N.C. Gen. Stat. § 58-33-46(a)(2), failure to comply with the requirements of this Order and Final Agency Decision, including but not limited to meeting the payment and deadlines set out herein relating to the monetary penalty, may result in the revocation of Respondent's resident insurance producer license for violation of an Order of the Commissioner.

This 21<sup>st</sup> day of October, 2024.



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 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

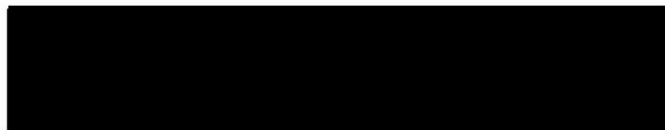
I HEREBY CERTIFY that I have this day served the foregoing **ORDER and FINAL AGENCY DECISION** by mailing a copy of the same via certified U.S. Mail, return receipt requested; and via first class U.S. Mail to the licensee at the address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b); and via State Courier to Attorney for Petitioner addressed as follows:

Stephen Jake Williams  
1361 Almond Road  
Reidsville, NC 27320  
(Respondent)

**Certified Mail Tracking Number: 9589 0710 5270 0742 5940 79**

Dilcy Burton  
Assistant Attorney General  
N.C. Department of Justice  
9001 Mail Service Center  
Raleigh, NC 27699-9001  
(Attorney for Petitioner)

This the 21<sup>st</sup> day of October, 2024.



Kimberly W. Pearce, NCCP  
Clerk of Court for Administrative Hearings  
Paralegal III  
N.C. Department of Insurance  
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