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 GUILLERMO ZEPEDA (NPN # 17792838) Respondent.	))))))))	ORDER AND FINAL AGENCY DECISION Docket Number: 2345

THIS MATTER was heard on January 28, 2026, 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 regulations. The administrative hearing was held in the Hearing Room at the North Carolina Department of Insurance, located at 3200 Beechleaf Court, Raleigh, Wake County, North Carolina.

Assistant Attorney General Rebecca E. Lem represented the North Carolina Department of Insurance (hereinafter "Department"), Agent Services Division (hereinafter "Petitioner" or "Agent Services"). Respondent Guillermo Zepeda (hereinafter, "Respondent") did not appear and was not represented by counsel at the hearing.

Melody Hocutt, Complaint Analyst with Agent Services , appeared and testified for the Petitioner. Petitioner's Exhibits 1-19, including subparts, were admitted into evidence, with redactions to Exhibits 3, 4, 5, and 8.

Based upon careful consideration of the allegations set forth in the Notice of Hearing in this matter, as well as documentary and testimonial evidence introduced at the hearing, the undersigned Hearing Officer hereby makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. Pursuant to Chapter 58 of the North Carolina General Statutes, the North Carolina Department of Insurance ("Department") has the authority and responsibility for the enforcement of insurance laws of this State and for regulating and licensing insurance agents.

2. Pursuant to 11 NCAC .06A.0101(a)(2), Agent Services is the division of the Department responsible for the licensing, education, and regulation of Agents. Pursuant to N.C. Gen. Stat. § 58-33-10(1), an "agent" is defined as a person licensed to solicit applications for, or to negotiate a policy of, insurance. Pursuant to N.C. Gen. Stat. § 58-33-10(7), an "insurance producer" or "producer" means a person required to be licensed under Article 33 of Chapter 58 of the North Carolina General Statutes to sell, solicit, or negotiate insurance, and "insurance producer" or "producer" includes an agent and a broker. As a licensed insurance producer, Respondent is considered an "agent" as defined by statute and is therefore subject to the licensing, education, and regulation of Agent Services. *See* N.C. Gen. Stat. §§ 58-33-10(1), 58-33-10(7) and 11 NCAC .06A.0101(a)(2).

3. At all relevant times, Respondent was a resident of Florida. Respondent's residential, business and mailing addresses on record with the Department are located in Florida. *See* Pet'r's Ex. 3 and 4.

4. Respondent holds a Non-Resident Producer License issued by the Department with lines of authority in Life and Accident & Health or Sickness, National Producer Number 17792838. Respondent's North Carolina licenses were first active on or about January 5, 2016. *See* Pet'r's Exs. 3 and 4.

5. On or about September 24, 2024, Respondent received a regulatory action from the Tennessee Department of Commerce and Insurance ("TDCI") in the form of a license revocation and a bar from applying for a Tennessee insurance producer license (hereinafter, "Tennessee Action"). *See* Pet'r's Ex. 5. Agent Services was made aware of the Tennessee Action through the Personal Information Capture System "PIC alert", an automatic notification system maintained through the National Association of Insurance Commissioners ("NAIC") notifying the Department of regulatory actions in other states. Agent Services viewed the Tennessee Action on a RIRS report entered in the system by TDCI on October 2, 2024, for the reason of "Demonstrated Lack of Fitness or Trustworthiness". Id. Ms. Hocutt was thereafter assigned to investigate and handle this matter.

6. N.C. Gen. Stat. § 58-33-32(k) requires a producer to report to the Commissioner any administrative action taken against the producer in another state within thirty (30) days after the final disposition of the matter. The report "shall include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the actions."

7. Licensees are permitted to report administrative actions taken against them by various means, including e-mail, mail, fax, and by uploading a copy of the written administrative action to the National Insurance Producer Registry ("NIPR") attachment warehouse.

8. Ms. Hocutt testified that she checked the Department's records and the National Insurance Producer Registry ("NIPR") Attachment Warehouse to see if Respondent had reported the Tennessee administrative action to the Department. Respondent had not reported the Tennessee administrative action directly to the Department or through the NIPR Attachment Warehouse. *See* Pet'r's Ex. 6.

9. After being assigned to the matter involving Respondent, Ms. Hocutt requested and received a copy of the Tennessee administrative action from TDOI. A certified copy of the Tennessee administrative action was entered into evidence. *See* Pet'r's Ex. 9.

10. The certified copy of the Tennessee Action shows that this action stemmed from an investigation by TDCI following seven consumer complaints alleging that Respondent enrolled the consumers into insurance plans without their knowledge and consent and forged their signatures on insurance applications. The Tennessee Action also found that Respondent used the same credit card for payment of all seven (7) consumers premiums of these policies. The Tennessee Action granted summary judgment against Respondent, ordering a fifteen thousand dollar ($15,000) administrative penalty against Respondent; assessing reasonable costs against Respondent up to five thousand dollars ($5,000); revoking Respondent's Tennessee insurance producer license; and barring Respondent from applying for a Tennessee insurance producer license and from engaging in insurance business in that state. The Tennessee Action further documented Respondent's failures to respond to a subpoena. *See* Pet'r's Ex. 9.

11. The Tennessee Action notes that Respondent's actions constituted the violation of several of its insurance laws or grounds for sanctions, including:

a. Tenn. Code Ann. § 56-6-112(a)(8), whereby Respondent submitted unauthorized applications with false information included in the applications.

b. Tenn. Code Ann. § 56-6-112(a)(10), whereby Respondent submitted seven applications of insurance where Respondent forged applicants' names on the applications.

c. Tenn. Code Ann. § 56-6-112(a)(2), whereby Respondent failed to respond and appear for a subpoena issued by Tennessee's Commissioner of Insurance.

See Pet'r's Ex. 10a.

12. At the time Agent Services first learned of the administrative against Respondent, Respondent still had time to report the Tennessee Action to the Department and comply with the thirty (30) day reporting requirements of N.C. Gen. Stat. § 58-33-32(k).

13. On October 8, 2024, Ms. Hocutt sent Respondent an e-mail to Respondent's electronic addresses on record with the Department, notifying Respondent that Agent Services was aware of the Tennessee Action and the thirty (30) day reporting requirement of N.C. Gen. Stat. § 58-33-32(k). This correspondence informed Respondent that he could still timely report this action if the action was reported by October 24, 2024. Additionally, the e-mail requested that Respondent provide a written response and documentation regarding the Tennessee Action within ten (10) days and advised Respondent that a response was required pursuant to N.C. Gen. Stat. §§ 58-2-25, 58-2-185, 58-2-195. *See* Pet'r's Ex. 7a. Respondent did not respond to this e-mail within ten (10) days.

14. On October 23, 2024, Ms. Hocutt sent a second e-mail to Respondent that attached the October 8, 2024 email reminding Respondent of the reporting requirement and again requesting that Respondent provide a response within ten (10) days. *See* Pet'r's Ex. 7b. Again, Respondent failed to respond to this correspondence and Respondent did not timely report the Tennessee Action.

15. On December 11, 2024, Ms. Hocutt sent an e-mail and letter via first class USPS mail to Respondent's addresses of record, scheduling an informal conference to be held on January 7, 2025, by telephone. The basis of the informal conference was to address Respondent's failure to report the Tennessee Action in violation of N.C. Gen. Stat. § 58-33-32(k). *See* Pet'r's Ex. 7c. On January 6, 2025, Ms. Hocutt sent a reminder e-mail to Respondent prior to the upcoming informal conference call. *See* Pet'r's Ex. 7d.

16. On January 7, 2025, Agent Services attempted to hold the informal conference as scheduled, however Respondent could not be reached. Ms. Hocutt left Respondent a voicemail message requesting that he call her back by the end of the day. Respondent did not contact Agent Services at any point thereafter and had no communication with the Department. *See* Pet'r's Exs. 7e and 8.

17. On January 13, 2025, Ms. Hocutt sent Respondent an e-mail and letter via first class USPS mail noting Respondent's lack of response and informing Respondent that the matter would be referred for an administrative hearing. Respondent did not respond or make any contact with Agent Services. *See* Pet'r's Exs. 7e and 8.

18. On November 4, 2025, Ms. Hocutt sent Respondent a follow up e-mail

and letter via first class USPS mail to Respondent's addresses of record with the Department. This correspondence again informed Respondent that the matter would be referred for an administrative hearing, and noted additional grounds for disciplinary action against his license based on N.C. Gen. Stat. §§ 58-33-46(a)(9), as Respondent's Tennessee insurance producer license was revoked for reasons substantially similar to those set for the in N.C. Gen. Stat. §§ 58-33-46(a)(8) and 58-33-46(a)(10), and noting that Respondent had violated the insurance laws of another state pursuant to N.C. Gen. Stat. § 58-33-46(a)(2). . Respondent did not respond to this correspondence from Agent Services. *See* Pet'r's Exs. 7e and 8.

19. Respondent never reported the Tennessee Action directly to the Department, and the NIPR Attachment Warehouse screenshot indicates that at no time has Respondent uploaded any documents in an attempt to report this adverse administrative action to the Commissioner. *See* Pet'r's Exs. 6 and 8.

20. Respondent never responded to any of Agent Services communication after multiple attempts made by Agent Services to contact Respondent by email, first class U.S. mail, and telephone utilizing Respondent's contact information on record, and additional contact information Ms. Hocutt located in notes on Respondent's license summary. *See* Pet'r's Exs. 3, 4, 7a – 7f, and 8.

21. The underlying bases for the Tennessee Action were of particular concern to the Department due to the nature of the allegations involving consumer harm. As of the date of this Hearing, Respondent has several active appointments in North Carolina. *See* Pet'r's Ex. 4

22. Respondent failed to report the Tennessee Action to the Department, despite written notification of the thirty (30) day reporting requirement of N.C. Gen. Stat. § 58-33-32(k) on multiple occasions when Respondent could have timely reported this administrative action. Respondent has not shown a continuing interest in retaining his North Carolina insurance license, nor has he demonstrated a willingness to comply with the North Carolina insurance laws and regulations to maintain his nonresident producer license.

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 was properly served on Petitioner pursuant to Rule 4 of the North Carolina Rules of Civil Procedure. Service was

perfected on November 25, 2025, as evinced by the Affidavit of Service demonstrating delivery of the Notice of Administrative Hearing and Petition by certified U.S.P.S. mail to Respondent's residential address of record. Further, the Notice of Administrative Hearing and Petition sent to Respondent at his address on record with the Department was not returned and thus is deemed served on November 25, 2025, pursuant to N.C. Gen. Stat. § 58-2-69(b), (d), and (e). *See* Pet'r's Exs. 1 and 2.

3. Respondent's administrative action in the form of a license revocation, with a fifteen thousand dollar ($15,000) financial penalty, and a bar from applying for a Tennessee insurance producer license by the Tennessee insurance regulator, TDOI, effective September 24, 2024, is an adverse administrative action that Respondent was required to report within thirty (30) days of the effective date of that action pursuant to N.C. Gen. Stat. § 58-33-32(k). *See* Pet'r's Ex. 9.

4. Respondent failed to report, the Tennessee Action to the Department. Respondent was advised of the thirty (30) day reporting requirement by Agent Services twice in writing during the period that Respondent could have timely reported the Tennessee administrative action, but he failed to do so. Respondent's failure to report the Tennessee Action to the Department within thirty (30) days of the effective date of that action is a violation of N.C. Gen. Stat. § 58-33-32(k).

5. The reasons that Respondent's insurance license in Tennessee was disciplined are substantially similar to reasons for which Respondent's insurance license would be subject to discipline pursuant to N.C. Gen. Stat. §§ 58-33-46(a) and its subsections. Pursuant to N.C. Gen. Stat. § 58-33-46(a)(9), Respondent's licenses may be subject to monetary penalty, suspension, or revocation for "[h]aving an insurance producer license, or its equivalent, denied, suspended, or revoked in any other jurisdiction for reasons substantially similar to those listed in this subsection." To wit, the Tennessee "Corrected Order" found Respondent in violation of the following Tennessee insurance laws:

a. Tenn. Code Ann. § 56-6-112(a)(8), which give as grounds for disciplinary action, "[u]sing fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere". This is identical to the statutory language of N.C. Gen. Stat. § 58-33-46(a)(8).

b. Tenn. Code Ann. § 56-6-112(a)(10), which give as grounds for disciplinary action, "[f]orging another's name to an application for insurance or to any document related to an insurance transaction". This is identical to the statutory language of N.C. Gen. Stat. § 58-33-46(a)(10).

c. Tenn. Code Ann. § 56-6-112(a)(2), which give as grounds for disciplinary action, "[v]iolating any law, rule, regulation, subpoena or order of the commissioner or of another state's commissioner", which is identical to the statutory language of N.C. Gen. Stat. § 58-33-46(a)(2).

6. Because Respondent's Tennessee insurance license was revoked for reasons substantially similar to those listed in N.C. Gen. Stat. §§ 58-33-46(a)(2), 58-33-46(a)(8), and 58-33-46(a)(10), as set forth above, Respondent's North Carolina insurance license is subject to disciplinary action pursuant to N.C. Gen. Stat. §§ 58-33-46(a)(9).

7. N.C. Gen. Stat. § 58-33-46(a)(2) allows the Commissioner to suspend, revoke, or refuse to renew any license issued under this Article for violating any insurance law of this or any other state. Additionally, N.C. Gen. Stat. § 58-2-70 allows the Commissioner to order a payment of a monetary penalty for a violation of Chapter 58 of the North Carolina General Statutes.

8. Respondent failed to respond to numerous attempts by Agent Services to contact him by email, first class US Postal Service mail, and telephone. Further, despite being advised by ASD of the thirty (30) day reporting requirement of N.C. Gen. Stat. § 58-33-32(k) after Respondent received the Tennessee Action, and being advised twice that he still had time to timely report that administrative action, he failed to do so. Respondent has shown no interest in retaining his North Carolina insurance license.

9. The Tennessee Action revoking Respondent's Tennessee license was for serious violations of that state's insurance laws. Agent Services, and the Department as a whole, have an interest in protecting North Carolina consumers against harm by those operating in the insurance industry, including licensed insurance agents. The Tennessee Action shows that Respondent failed to respond to TDOI's subpoena to him, and likewise Respondent has not responded to numerous communications and requests by Agent Services. Further, Respondent did not attend this Hearing, which would have afforded him additional opportunity to address concerns regarding whether Respondent's continued retention of his North Carolina insurance licenses would put North Carolina consumers at risk. Thus, in order to protect North Carolina consumers against potential harm by Respondent's continued licensure in this State, revocation of Respondent's insurance license is appropriate.

Based on the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer enters the following:

<u>**ORDER**</u>

It is ordered that Respondent's North Carolina non-resident producer's license is hereby REVOKED effective as of the date of the signing of this Order.

This the 30 day of June, 2026.

[redacted]

Alisha Benjamin
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 01.0413 and N.C. Gen. Stat. § 1 A-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; via first class U.S. mail to the Respondent, at the address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b); and via courtesy e-mail to Respondent; and via State Courier and courtesy e-mail to Attorney for Petitioner, addressed as follows:

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This the 30th day of June, 2026.

[redacted]

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