BEFORE THE COMMISSIONER OF THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE

IN THE MATTER OF:

JOHN ROBERT JORDAN **DOCKET NO. 12.01-118373J**

NOTICE

ATTACHED IS AN INITIAL ORDER RENDERED BY AN ADMINISTRATIVE JUDGE WITH THE ADMINISTRATIVE PROCEDURES DIVISION.

THE INITIAL ORDER IS NOT A FINAL ORDER BUT SHALL BECOME A FINAL ORDER UNLESS:

1. THE ENROLLEE FILES A WRITTEN APPEAL, OR EITHER PARTY FILES A PETITION FOR RECONSIDERATION WITH THE ADMINISTRATIVE PROCEDURES DIVISION NO LATER THAN **January 6, 2014.**

YOU MUST FILE THE APPEAL, PETITION FOR RECONSIDERATION WITH THE ADMINISTRATIVE PROCEDURES DIVISION. THE ADDRESS OF THE ADMINISTRATIVE PROCEDURES DIVISION IS:

SECRETARY OF STATE
ADMINISTRATIVE PROCEDURES DIVISION
WILLIAM R. SNODGRASS TOWER
312 ROSA PARKS AVENUE, 8th FLOOR
NASHVILLE, TENNESSEE 37243-1102

IF YOU HAVE ANY FURTHER QUESTIONS, PLEASE CALL THE ADMINISTRATIVE PROCEDURES DIVISION, **615/741-7008 OR 741-5042, FAX 615/741-4472.** PLEASE CONSULT APPENDIX A AFFIXED TO THE INITIAL ORDER FOR NOTICE OF APPEAL PROCEDURES.

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE FOR THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,	)	
Petitioner,	)	
	)	
vs.	)	**DOCKET NO. 12.01-118373J**
	)	
JOHN ROBERT JORDAN,	)	
Respondent,	)	

NOTICE OF DEFAULT AND INITIAL ORDER

This matter was heard on December 12, 2013, in Nashville, Tennessee before the Honorable Thomas G. Stovall, Administrative Judge, assigned by the Secretary of State, Administrative Procedures Division, to sit for the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner"). James R. Witham, Assistant General Counsel, represented the Petitioner, the Tennessee Insurance Division ("Division"), in this matter. John Robert Jordan, Respondent, was not present nor was an attorney present on his behalf.

NOTICE OF DEFAULT

Petitioner moved for default based on the failure of the Respondent, or his representative, to appear at the scheduled hearing after receiving proper notice thereof. The hearing in this matter was originally scheduled for December 4, 2012, and was continued on numerous occasions upon request of the Respondent. Pursuant to two pre-hearing telephone conference calls held December 2 and 3, 2013, the hearing scheduled for December 3, 2013, was continued upon request of the Respondent's son due to concern about the Respondent's health. By order of December 4, 2013, an Order of Continuance was entered which re-scheduled the hearing for December 12, 2013. The order stated that no further continuances would be granted to the

Respondent. A request for a continuance of the December 12, 2013, was filed by the Respondent's son by facsimile on December 11, 2013. The request for continuance was denied.

The record indicates that service was legally sufficient in accordance with Tenn. Code Ann. §§ 4-5-307 and 56-6-112(f); and Tenn. Comp. R. & Regs. 1360-4-1-.06 and 1360-4-1-.15(c). The Respondent was held in **DEFAULT** and Petitioner was permitted to proceed on an uncontested basis.

INITIAL ORDER

The subject of this hearing was the proposed revocation of Respondent's Tennessee insurance producer license and entry of an order assessing civil penalties against Respondent for violations of Tenn. Code Ann. §§ 56-6-112(a)(8) (2008) (2011). After consideration of the evidence and entire record in this matter, it is determined that: the Respondent's insurance producer license, number 0650511, is **REVOKED**; and Respondent is **ORDERED** to pay a civil monetary penalty of Four Thousand Nine Hundred Dollars ($4,900.00), payable within sixty (60) days of the effectiveness of this Order.

This decision is based upon the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. The Division is the lawful agent through which the Commissioner administers the Law, and is authorized to bring this action for the protection of the people. Respondent is a licensee of the Division, having been granted license number 0650511 as both an Insurance Producer and Surplus Lines Agent.

2. Respondent's addresses presently on file with the Division are 807 Concord Road, Knoxville, TN 37934 and P.O. Box 31586, Knoxville, TN 37934. Respondent's address is 807 Concord Road, Knoxville, TN 37934 and P.O. Box 31586, Knoxville, TN 37934.

POLICY NUMBER CAO0209288

3. On or about April 1, 2007, Respondent purchased a policy numbered CAO0209288 on behalf of Robert Lieb, owner of Smokey Mountain Taxi. This policy was effective from April 1, 2007 through April 1, 2008 with liability coverage of $300,000.00 Combined Single Limit.

4. Four (4) endorsements were made on policy CAO0209288 and that at the time of purchase, only a 2002 Chevrolet Venture was covered by the policy.

5. On or about September 19, 2007, Endorsement # 2 added a 2000 Plymouth Voyager.

6. Endorsement # 3 declared Endorsement # 2 null and void on or about September 19, 2007 -- the same day Endorsement # 2 was issued.

7. Endorsement # 4 added coverage for a 2003 Kia Sedona effective on or about October 2, 2007, and no further endorsements exist on policy CAO0209288.

8. Respondent provided multiple Certificates of Liability Insurance, including copies provided on or about April 5, 2007, April 9, 2007, October 5, 2007, and October 26, 2007, regarding policy number CAO0209288 to the Metropolitan Knoxville Airport Authority (hereinafter "MKAA") on behalf of Smokey Mountain Taxi.

9. Respondent provided one (1) Certificate of Liability Insurance on or about January 3, 2008, regarding policy number CAO0209288 to Access on Time on behalf of Smokey Mountain Taxi and that the policy number on this certificate was 6844152, a fictional policy number.

10. Access on Time was listed as an additional insured on that [fictional] policy, number 6844152, and was never endorsed as being covered under that policy.

11. The Certificates of Liability provided by Respondent to MKAA regarding policy number CAO0209288 each falsely contained a statement that "Metropolitan Knoxville Airport Authority Commissioners and its Officers and its Employees are Additional Insured's on this policy."

12. The MKAA commissioners, its officers, and its employees were never endorsed as being covered under policy numbers CAO0209288 or 6844152.

13. Respondent provided the Certificates of Liability to MKAA and to Access on Time regarding policy number CAO0209288, which falsely reflected coverage limits of $100,000.00 bodily injury per person, $300,000.00 bodily injury per accident, and $100,000.00 property damage per accident.

14. The actual liability coverage of this policy was $300,000.00 Combined Single Limit.

15. Respondent provided the Certificates of Liability to MKAA and to Access on Time regarding policy number CAO0209288, which falsely listed the dates of coverage as April 3, 2007 to April 3, 2008.

16. The actual dates of coverage for this policy were April 1, 2007, to April 1, 2008.

17. Respondent provided the Certificates of Liability to MKAA regarding policy number CAO0209288, which each falsely listed the policy number as CA2657220.

18. A 2000 Plymouth is reflected as a covered automobile on multiple Certificates of Liability that Respondent provided to MKAA regarding policy number CAO0209288, including

certificates Respondent issued on or about April 5, 2007, April 9, 2007, and October 26, 2007 to Access on Time on or about January 3, 2008.

19. A 2000 Plymouth is not a covered automobile on multiple Certificates of Liability that Respondent provided to MKAA regarding policy number CAO0209288, including certificates Respondent issued on or about April 5, 2007, April 9, 2007, and October 26, 2007, to Access on Time on or about January 3, 2008.

20. The Plymouth was added as Endorsement # 2 to this policy on or about September 19, 2007, and removed by Endorsement # 3 that same day.

POLICY NUMBER BAP0724928

21. On or about April 2, 2008, Respondent purchased policy number BAP0724928 on behalf of Smokey Mountain Taxi. This policy was effective from on or about April 2, 2008, to April 2, 2009, with a Combined Single Limit of $75,000.00.

22. Policy number BAP0724928 was cancelled effective July 29, 2008, and was not renewed or effective thereafter.

23. Respondent provided numerous Certificates of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 to MKAA including certificates provided on or about April 11, 2008, April 8, 2009, February 5, 2010, April 21, 2010, June 16, 2010, November 9, 2010, and April 5, 201.

24. These Certificates showed continuous coverage from April 3, 2008, until April 3, 2012, with effective dates from on or about April 3, 2008, until April 3, 2009, April 3, 2009, until April 3, 2010, April 3, 2010, until April 3, 2011, and April 3, 2011, until April 3, 2012.

25. Respondent provided numerous Certificates of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 to the Knoxville Police

Department Inspections Unit (hereinafter "KPDI") including certificates provided on or about October 27, 2009, November 9, 2010, December 27, 2010, and April 1, 2011.

26. These Certificates showed continuous coverage from April 3, 2009, until April 3, 2012, with effective dates from on or about April 3, 2009, until April 3, 2010, April 3, 2010, until April 3, 2011, and April 3, 2011, until April 3, 2012.

27. Respondent provided numerous Certificates of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 to Access on Time including certificates provided on or about June 26, 2008, May 11, 2009, May 17, 2010, June 16, 2010, and April 5, 2011.

28. These Certificates showed continuous coverage from April 3, 2008, until April 3, 2012, with effective dates from on or about April 3, 2008, until April 3, 2009, April 3, 2009, until April 3, 2010, April 3, 2010, until October 3, 2010, April 3, 2010, until April 3, 2011, and April 3, 2011 until April 3, 2012.

29. Respondent provided one (1) Certificate of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 to Optimal Care Transportation & Translation (hereinafter "Optimal Care") on or about April 1, 2011.

30. This Certificate showed coverage from on or about April 3, 2011, until April 3, 2012.

31. Respondent provided one (1) Certificate of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 to Black Diamond Services (hereinafter "Black Diamond") on or about April 5, 2011

32. This Certificate showed coverage from on or about April 3, 2011, until April 3, 2012.

33. Respondent provided one (1) Certificate of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 to Albors & Alnet on or about April 5, 2011.

34. This Certificate showed coverage from on or about April 3, 2011 until April 3, 2012.

35. Respondent provided the Certificates of Liability provided to MKAA on or about April 11, 2008, and to Access on Time on or about June 26, 2008, each falsely reflected coverage limits of $100,000.00 bodily injury per person, $300,000.00 bodily injury per accident, and $100,000.00 property damage per accident.

36. The actual liability coverage of this policy was $75,000.00 Combined Single Limit.

37. Each and every Certificate of Liability issued by Respondent on behalf of Smokey Mountain Taxi indicating coverage under policy number BAP0724928 issued after July 29, 2008, was false in its entirety, as the policy was not effective after that date, this includes:

a. Certificates of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 provided to MKAA on or about April 8, 2009, February 5, 2010, April 21, 2010, June 16, 2010, November 9, 2010, and April 5, 2011;

b. Certificates of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 provided to KPDI on or about October 27, 2009, November 9, 2010, December 27, 2010, and April 1, 2011;

c. Certificates of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 provided to Access on Time on or about May 11, 2009, May 17, 2010, June 16, 2010, and April 5, 2011;

d. Certificate of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 provided to Optimal Care on or about April 1, 2011;

e. Certificate of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 provided to Black Diamond on or about April 5, 2011; and

f. Certificate of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 provided to Albors & Alnet on or about April 5, 2011.

38. The Certificate of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 that Respondent provided to MKAA on or about April 11, 2008, contained a statement that "Metropolitan Knoxville Airport Authority Commissioners and its Officers and its Employees are Additional Insured's on this policy."

39. The statement "Metropolitan Knoxville Airport Authority Commissioners and its Officers and its Employees are Additional Insured's on this policy," is a false statement.

40. MKAA commissioners, its officers, and its employees were never endorsed as being covered under this policy.

41. The Certificate of Liability certifying Smokey Mountain Taxi's coverage under policy number BAP0724928 that Respondent provided to Access on Time on or about June 26, 2008, listed Access on Time as an additional insured.

42. Access on Time is not an additional insured under policy number BAP0724928.

43. Access on Time was never endorsed as being covered under policy number BAP0724928.

POLICY NUMBERS BAP07244959; BAP0712146; and BAP0728451

44. On or about June 21, 2008, Respondent purchased insurance policy number BAP07244959 on behalf of Odyssey Airport Taxi ("Odyssey").

45. Insurance policy number BAP07244959 that Respondent purchased on behalf of Odyssey was effective from on or about June 21, 2008, until June 21, 2009.

46. Policy number BAP07244959 had coverage limits of $25,000.00 bodily injury per person, $50,000.00 bodily injury per accident, and $25,000.00 property damage per accident.

47. Policy number BAP07244959 was not effective after June 21, 2009.

48. On or about June 24, 2009, Respondent purchased insurance policy number BAP0712146 on behalf of Odyssey.

49. Policy number BAP0712146 was effective from on or about June 24, 2009, until June 24, 2010.

50. Policy number BAP0712146 had coverage limits of $25,000.00 bodily injury per person, $50,000.00 bodily injury per accident, and $25,000.00 property damage per accident.

51. Policy number BAP0712146 was not effective after June 24, 2010.

52. On or about June 24, 2010, Respondent purchased insurance policy number BAP0728451 on behalf of Odyssey.

53. Policy number BAP0728451 was effective from June 24, 2010, until June 24, 2011.

54. Policy number BAP0728451 had coverage limits of $25,000.00 bodily injury per person, $50,000.00 bodily injury per accident, and $25,000.00 property damage per accident.

55. Policy number BAP0728451 was not effective after June 24, 2011.

56. Respondent provided two (2) Certificates of Liability Insurance, including copies provided on or about June 24, 2008, and June 24, 2009, under policy number BAP07244959 to MKAA on behalf of Odyssey.

57. The certificate Respondent issued June 24, 2009, should have been issued under policy number BAP0712146, the policy that was active for the dates stated.

58. The certificates referred to in the prior paragraph falsely stated coverage for Odyssey with liability limits of $100,000.00 bodily injury per person, $300,000.00 bodily injury per accident, and $100,000.00 property damage per accident.

59. The effective dates for the certificate Respondent issued on June 24, 2008, were June 21, 2008, to June 21, 2009.

60. The effective dates for the certificate Respondent issued on June 24, 2009, were June 21, 2009, to June 21, 2010.

61. Each of these certificates stated that MKAA was an additional insured under the policy.

62. MKAA was never an additional insured under this policy.

63. Respondent provided three (3) Certificates of Liability Insurance, including two copies provided on or about July 30, 2010, and a copy provided on or about September 17, 2010, regarding policy number BAP0728451 to the MKAA on behalf of Odyssey.

64. These certificates referred to in the prior paragraph stated coverage for Odyssey with liability limits of $100,000.00 bodily injury per person, $300,000.00 bodily injury per accident, and $100,000.00 property damage per accident and effective dates from June 21, 2010, to June 21, 2011.

65. The coverage referred to in paragraph 64 above is false.

66. Each of these certificates state that MKAA was an additional insured under the policy.

67. MKAA was never an additional insured under this policy.

68. Respondent issued one (1) Certificate of Liability, including on or about December 14, 2010, regarding policy number BAP07244959 to the KPDI on behalf of Odyssey.

69. This certificate should have been issued under policy number BAP0712146, the policy that was active for the dates stated.

70. The certificate, referred to in paragraph 68 above, stated coverage for Odyssey Airport Taxi with liability limits of $100,000.00 bodily injury per person, $300,000.00 bodily injury per accident, and $100,000.00 property damage per accident and effective dates from June 21, 2010, to June 21, 2011.

71. The coverage referred to in paragraph 70 above is false.

72. The certificate states that the KPDI is an additional insured under this policy.

73. KPDI was never an additional insured under this policy.

74. Respondent issued two (2) Certificates of Liability, including on or about June 24, 2008, and July 21, 2009, regarding policy number BAP07244959 to Access on Time on behalf of Odyssey.

75. The certificate Respondent issued on June 21, 2009, should have been issued under policy number BAP0712146, the policy that was active for the dates stated.

76. The certificates, referred to in paragraph 74 above, stated coverage for Odyssey with liability limits of $100,000.00 bodily injury per person, $300,000.00 bodily injury per accident, and $100,000.00 property damage per accident.

77. The coverage for the certificates referred to in paragraph 76 above, were false.

78. The effective dates for the certificate Respondent issued June 24, 2008, were June 21, 2008, to June 21, 2009.

79. The effective dates for the certificate Respondent issued June 21, 2009, were June 21, 2009, to June 21, 2010.

80. Access on Time is listed as an additional insured on the July 21, 2009 certificate.

81. Access on Time was never an additional insured under this policy.

82. Respondent issued one (1) Certificate of Liability on or about July 7, 2010, regarding policy number BAP0728451 to Access on Time on behalf of Odyssey Airport Taxi.

83. The certificate, referred to in paragraph 82 above, falsely stated coverage for Odyssey with liability limits of $100,000.00 bodily injury per person, $300,000.00 bodily injury per accident, and $100,000.00 property damage per accident and effective dates from June 21, 2010 to June 21, 2011.

84. Access on Time was listed as an additional insured on this certificate.

85. Access on Time was never an additional insured under this policy.

POLICY NUMBER BAP712138

86. On or about October 16, 2007, Respondent purchased an insurance policy on behalf of Alex & Violet Cab Service with a $60,000.00 Combined Single Limit with effective dates from on or about October 16, 2007, to October 16, 2008.

87. This policy, as referred to in paragraph 86 above, was cancelled for non-payment of premiums on or about February 8, 2008.

88. On or about February 18, 2008, Respondent issued one (1) Certificate of Liability regarding policy number BAP712138 to the MKAA on behalf of Alex & Violet Cab Service (hereinafter "A&V").

89. The certificate, referred to in paragraph 88 above, falsely stated coverage for A&V with liability limits of $100,000.00 bodily injury per person, $300,000.00 bodily injury per accident, and $100,000.00 property damage per accident.

90. The certificate shows that the policy was effective from October 16, 2007, to October 16, 2008.

91. The certificate referred to in paragraph 88 above stated that MKAA was an additional insured on the policy.

92. This certificate was false in its entirety, as it was issued after the cancellation of the policy.

93. MKAA was never an additional insured under this policy.

November 21, 2008 - Earthmovers Policy

94. On or about November 21, 2008, Respondent issued a Certificate of Liability Insurance to Jefferson Federal Savings Bank (hereinafter "JFSB") on behalf of Earthmovers, LLC.

95. The certificate, referred to in paragraph 94 above, stated that Earthmovers held general liability insurance policy number EDQCO from Lloyd's of London in the amount of $1 million for each occurrence.

96. The certificate, referred to in paragraph 94 above, stated that Earthmovers held an automobile liability policy, number 0756314, from AIG Insurance Company with a $1 million Combined Single Limit.

97. The certificate, referred to in paragraph 94 above, stated that Earthmovers held a pending workers' compensation policy from Sheffield Comp of Tennessee (hereinafter "Sheffield").

98. The certificate, referred to in paragraph 94 above, stated that Earthmovers held a pending inland marine policy from Travelers Indemnity Company with a policy number of 680-8622M674 in the amount of $196,800.00.

99. Each of these policies, as referenced in paragraphs 94; 95; 96; 97; and 98 above, had effective dates from on or about November 10, 2008, until November 10, 2009, except for the Sheffield workers' compensation policy, which showed November 10, 2008, as both the effective and expiration dates.

100. There was no Lloyd's of London general liability policy in effect on or about November 21, 2008.

101. EDQCO-Q, as referred to in paragraph 95 above, was the quote number provided by Lloyds of London to Respondent.

102. However, policy number ARTE018904, the actual policy, was not issued until on or about December 19, 2008.

103. Policy number ARTE018904 was cancelled on or about February 5, 2009.

104. No other general liability policy was valid at any other time relevant to this certificate.

105. The AIG policy numbered 0756314 was cancelled on or about January 25, 2009.

106. Policy number 0756314 was not effective at any time after January 25, 2009.

May 8, 2009 - Earthmovers Policy

107. On or about May 8, 2009, Respondent issued a Certificate of Liability Insurance to JFSB on behalf of Earthmovers, LLC.

108. The certificate, referred to in paragraph 107 above, stated that Earthmovers held general liability insurance policy number ARTE018904 from Lloyd's of London in the amount

of $1 million each occurrence with effective dates from on or about December 19, 2008, to December 19, 2009.

109. The certificate, referred to in paragraph 107 above, stated that Earthmovers held an automobile liability policy number 74TRR206735 from National Indemnity Company of the South (hereinafter "NIC") with a $1 million Combined Single Limit with effective dates from on or about February 18, 2009, to February 18, 2010.

110. The certificate, referred to in paragraph 107 above, stated that Earthmovers held an inland marine policy from United States Liability Insurance Company (hereinafter "USLIC") with a policy number of CEQ0953924 in the amount of $188,265.00 with effective dates from on or about February 13, 2009, to February 13, 2010.

111. Lloyds of London policy number ARTE018904 was cancelled on or about February 5, 2009, prior to the issuance of the certificate referenced in paragraph 107 above.

112. NIC policy number 74TRR206735 was cancelled effective April 15, 2009, prior to the issuance of the certificate referenced in paragraph 107 above.

113. When NIC policy number 74TRR206735 was effective, the limits of liability were $65,000.00 Combined Single Limit, not $100,000.00 Combined Single Limit as stated on the certificate.

114. USLIC never issued an inland marine policy number CEQ0953924.

115. Policy number CEQ0953924, as described above in paragraph 114, was the quote number provided to Respondent from USLIC, but no policy was ever issued.

September 21, 2009 - Earthmovers Policy

116. On or about September 14, 2009, Respondent issued a Certificate of Liability Insurance to JFSB on behalf of Earthmovers, LLC.

117. The certificate, referred to in paragraph 116 above, stated that Earthmovers held general liability insurance policy number ARTE018904 from Lloyd's of London in the amount of $1 million each occurrence with effective dates from on or about December 19, 2008, to December 19, 2009.

118. The certificate, referred to in paragraph 116 above, stated that Earthmovers held an automobile liability policy number 74TN2009R01 from NIC with a $1 million Combined Single Limit and effective dates from on or about September 3, 2009, to September 3, 2010.

119. The certificate, referred to in paragraph 116 above, stated that Earthmovers held an inland marine policy from USLIC with a policy number of CEQ0953924 in the amount of $188,265.00 with effective dates from on or about February 13, 2009, to February 13, 2010.

120. The Lloyd's of London policy number ARTE018904 was cancelled on or about February 5, 2009, prior to the issuance of the certificate referenced in paragraph 116.

121. NIC policy number 74TN2009R01, referred to in paragraph 118 above, is not a valid insurance policy.

122. USLIC never issued an inland marine policy number CEQ0953924.

123. Policy number CEQ0953924, as described in paragraph 119 above, was the quote number provided to Respondent from USLIC, but no policy was ever issued.

September 17, 2010 - Earthmovers Policy

124. On or about September 17, 2010, Respondent issued a Certificate of Liability Insurance to JFSB on behalf of Earthmovers, LLC.

125. The certificate, referred to in paragraph 124 above, stated that Earthmovers held general liability insurance policy number ARTE018904 from Lloyd's of London in the amount

of $1 million each occurrence with effective dates from on or about December 19, 2009, to December 19, 2010.

126. The certificate, referred to in paragraph 124 above, stated that Earthmovers held an automobile liability policy number 17065472 from Infinity Commercial Auto with a $1 million Combined Single Limit with effective dates from on or about September 17, 2010, to September 17, 2011.

127. The certificate, referred to in paragraph 124 above, stated that Earthmovers held an inland marine policy from USLIC with a policy number of CEQ0953924 in the amount of $188,265.00 with effective dates from on or about February 13, 2010, to February 13, 2011.

128. The Lloyd's of London policy number ARTE018904 was cancelled on or about February 5, 2009, prior to the issuance of the certificate referenced in paragraph 124 above.

129. Infinity Commercial Auto insurance policy number 17065472 is not a valid insurance policy.

130. USLIC never issued an inland marine policy number CEQ0953924.

131. Policy number CEQ0953924, as described in paragraph 127, was the quote number provided to Respondent from USLIC, but no policy was ever issued.

JUNE 19, 2009 - Earthmovers Policy

132. On or about June 19, 2009, Respondent issued a Certificate of Liability Insurance to Christopoulos and Kennedy Construction (hereinafter "C & K Construction") on behalf of Earthmovers, LLC.

133. The certificate, referenced in paragraph 132, stated that Earthmovers held general liability insurance policy number ARTE018904 from Lloyd's of London in the amount of $1 million each occurrence with effective dates from on or about March 8, 2009, to March 8, 2010.

134. The certificate, referenced in paragraph 132, stated that Earthmovers held an automobile liability policy number 0756314 from 21st Century with a $1 million Combined Single Limit with effective dates from on or about March 8, 2009, to March 8, 2010.

135. The certificate, referenced in paragraph 132, stated that Earthmovers held a workers' compensation policy number 8951707 from AIG Insurance Companies with effective dates from on or about February 1, 2009, to February 1, 2010.

136. The certificate, referenced in paragraph 132, stated that Earthmovers held an inland marine policy from Lloyd's of London with a policy number of EDQCO-Q in the amount of $151,000.00 with effective dates from on or about March 8, 2009, to March 8, 2010.

137. The Lloyd's of London policy number ARTE018904 was cancelled on or about February 5, 2009, prior to the issuance of the certificate and policy number referenced in paragraph 132.

138. Respondent did bind over a policy based on quote number EPLFC, on or about June 11, 2009, from Lloyd's of London on behalf of Earthmovers.

139. This policy, as referred to in paragraph 138 above, became null and void on or about June 23, 2009, because the premium was not paid within 12 days of the effective date of that policy.

140. Policy number 0756314 was an automobile liability policy from AIG, not 21st Century, for Earthmovers with effective dates from November 10, 2008, until May 10, 2009.

141. The policy referred to in paragraph 140 was cancelled effective January 25, 2009.

142. As such, no policy was in effect on June 18, 2009, when the certificate was provided.

143. EDQCO-Q was a quote from Lloyd's of London which resulted in the issuance of general liability policy number ARTE018904, on or about December 19, 2008, and was subsequently cancelled on or about February 5, 2009.

144. Respondent had obtained no inland marine coverage for Earthmovers which was in effect at any time relevant to this certificate.

APRIL 23, 2010 - Earthmovers Policy

145. On or about April 23, 2010, Respondent issued a Certificate of Liability Insurance to C & K Construction on behalf of Earthmovers, LLC.

146. The certificate, referred to in paragraph 145 above, stated that Earthmovers held general liability insurance policy number ARTE018904 from Lloyd's of London in the amount of $1 million each occurrence with effective dates from on or about March 8, 2010, to March 8, 2011.

147. The certificate, referred to in paragraph 145 above, stated that Earthmovers held an automobile liability policy number 74TRR206735 from NIC with a $1 million Combined Single Limit and effective dates from on or about March 8, 2010, to March 8, 2011.

148. The certificate, referred to in paragraph 145 above, stated that Earthmovers held a workers' compensation policy number 070-07335118 from Sheffield with effective dates from on or about February 1, 2010, to February 1, 2011.

149. The certificate, referred to in paragraph 145 above, stated that Earthmovers held an inland marine policy from USLIC with a policy number of CEQ09053924 in the amount of $151,000.00 and effective dates from on or about March 8, 2010, to March 8, 2011.

150. The Lloyd's of London policy, number ARTE018904, was cancelled on or about February 5, 2009, prior to the issuance of the certificate referenced in paragraph 145.

151. NIC policy number 74TRR206735 was cancelled effective April 15, 2009, prior to the issuance of this certificate, as referenced in paragraph 145 above.

152. When NIC policy number 74TRR206735 was in effect, it had a policy limit of $65,000.00 Combined Single Limit, not $100,000.00 Combined Single Limit as stated on the certificate.

153. Sheffield policy number 070-07335118 on behalf of Earthmovers is false.

154. There was no Sheffield workers' compensation policy in effect at any time relevant to this certificate.

155. USLIC never issued an inland marine policy number CEQ0953924.

156. CEQ0953924 was the quote number provided to Respondent from USLIC, but no policy was ever issued.

SEPTEMBER 17, 2010 - Earthmovers CERTIFICATE

157. On or about September 17, 2010, Respondent issued a Certificate of Liability Insurance to Danco, Inc. (hereinafter "Danco") on behalf of Earthmovers, LLC.

158. The certificate referred to in paragraph 157 stated that Earthmovers held general liability insurance policy number ARTE018904 from Lloyd's of London in the amount of $1 million each occurrence with effective dates from on or about March 8, 2010, to March 8, 2011.

159. The certificate, referred to in paragraph 157 above, stated that Earthmovers held

an automobile liability policy, number PIA06303301, from Canal Insurance Company (hereinafter "Canal") with a $1 million Combined Single Limit and effective dates from on or about November 11, 2010, to November 11, 2011.

160. The certificate, referred to in paragraph 157 above, stated that Earthmovers held workers' compensation policy number 070-07335118 from Sheffield with effective dates from on or about March 2, 2010, to March 2, 2011.

161. The certificate, referred to in paragraph 157 above, stated that Earthmovers held an inland marine policy from USLIC with a policy number of CEQ0953924 in the amount of $188,265.00 and effective dates from on or about February 13, 2010, to February 13, 2011.

162. The Lloyd's of London policy number ARTE018904 was cancelled on or about February 5, 2009, prior to the issuance of this certificate.

163. Canal policy number PIA06303301 shows an effective date of November 11, 2010, even though the Certificate of Liability indicates that it was created on September 17, 2010, two months prior.

164. Canal policy number PIA06303301 was cancelled on or about December 18, 2010.

165. Sheffield policy number 070-07335118 on behalf of Earthmovers is false.

166. There was no Sheffield workers' compensation policy in effect at any time relevant to this certificate.

167. USLIC never issued an inland marine policy number CEQ0953924.

168. CEQ0953924 was the quote number provided to Respondent from USLIC, but no

policy was ever issued.

JULY 29, 2011 – HODGE TRUCKING CERTIFICATE

169. On or about July 29, 2011, Respondent issued a Certificate of Liability Insurance to Evans-Ailey Construction, Inc., on behalf of Randy Hodge, d/b/a Hodge Trucking (hereinafter "Hodge Trucking").

170. The certificate stated that Hodge Trucking held general liability insurance policy number GOSLL from Lloyd's of London in the amount of $1 million each occurrence with effective dates from on or about July 29, 2011, to July 29, 2012.

171. The certificate, referred to in paragraph 169 above, stated that Hodge Trucking held a workers' compensation policy pending a policy number with Sheffield with effective dates of on or about July 29, 2011, to July 29, 2012.

172. GOSLL was actually a quote number from Lloyd's of London to Respondent regarding Hodge Trucking, not a policy number.

173. The policy was initially to be effective on or about July 29, 2011, but was not bound over until August 23, 2011, approximately one month after issuance of this certificate.

174. The policy issued on behalf of Hodge Trucking was declared null and void when the required payment was not received within 12 days.

175. Accordingly, there was no general liability insurance effective for Hodge Trucking by Lloyd's of London at any time relevant to this certificate.

176. No Sheffield workers' compensation policy number was pending on behalf of Hodge Trucking at the time of the issuance of this certificate.

177. Respondent had requested a quote from the Argos Group but one was not issued until on or about August 4, 2011, after the issuance of this certificate.

178. Respondent never bound coverage from that quote.

RANDY HODGE D/B/A EARTHMOVER CERTIFICATES

179. On or about January 14, 2011, Respondent issued a Certificate of Liability Insurance to FS Construction Group (hereinafter "FSC"), on behalf of Randy Hodge d/b/a Earthmovers (hereinafter "Hodge d/b/a Earthmovers").

180. The certificate issued to FSC stated that Hodge d/b/a Earthmovers held general liability insurance policy number ARTE018904 from Lloyd's of London in the amount of $1 million each occurrence with effective dates from on or about March 8, 2010, to March 8, 2011.

181. The certificate, referenced in paragraph 179, stated that Hodge d/b/a Earthmovers held an automobile liability insurance policy number PIA06303301 from Canal with effective dates from on or about November 11, 2010, to November 11, 2011.

182. The certificate, referenced in paragraph 179, stated that Hodge d/b/a Earthmovers held a Sheffield workers' compensation policy number 070-07335118 with effective dates of on or about March 2, 2010, to March 2, 2011.

183. The certificate, referenced in paragraph 179, stated that Hodge d/b/a Earthmovers held an inland marine policy number CEQ0953924 from USLIC with effective dates from on or about February 13, 2010, to February 13, 2011.

184. A subsequent certificate of liability was issued to FSC on or about March 9, 2011, on behalf of Hodge d/b/a Earthmovers.

185. This subsequent certificate of liability issued to FSC shows coverage identical.to the January 14, 2011, certificate, but the effective dates of policy number ARTE018904 are shown as March 8, 2011, to March 8, 2012.

186. The certificate, referenced in paragraph 184 above, stated effective dates from March 2, 2011, to March 2, 2012 for policy number 070-07335118.

187. The certificate, referenced in paragraph 184 above, stated effective dates from February 13, 2011, to February 13, 2012 for policy number CEQ0953924.

188. On or about April 28, 2011, Respondent issued a Certificate of Liability to GRC Construction Service (hereinafter "GRC") on behalf of Hodge d/b/a Earthmovers.

189. The certificate issued to GRC showed coverage identical to the January 14, 2011 certificate provided to FSC, except that policy number ARTE018904 shows effective dates from March 8, 2011, to March 8, 2012.

190. The certificate, referenced in paragraph 188 above, stated policy number PIA06303301 with effective dates from November 11, 2011, to November 11, 2012.

191. The certificate, referenced in paragraph 188 above, stated policy number 070-07335118 with effective dates from on or about March 2, 2011, to March 2, 2012.

192. The certificate, referenced in paragraph 188 above, stated policy number CEQ0953924 with effective dates from on or about February 13, 2011, to February 13, 2012.

193. On or about March 30, 2011, Respondent issued a Certificate of Liability to McSpadden, Inc. (hereinafter "McSpadden") on behalf of Hodge d/b/a Earthmovers.

194. This certificate showed coverage identical to the January 14, 2011, certificate provided to FSC, except that policy number ARTE018904 shows effective dates from March 8, 2011, to March 8, 2012.

195. The certificate, referenced in paragraph 193 above, stated policy number 070-07335118 with effective dates from on or about March 2, 2011, to March 2, 2012.

196. The certificate, referenced in paragraph 193 above, stated policy number CEQ0953924 with effective dates from on or about February 13, 2011, to February 13, 2012.

197. The Lloyd's of London policy number ARTE018904 was cancelled on or about February 5, 2009, prior to the issuance of the four certificates referenced in paragraphs 179, 184,188, and 193.

198. Canal policy number PIA06303301 was cancelled effective on or about December 18, 2010, prior to any of the four certificates, referenced in paragraphs 179, 184,188, and 193, being issued.

199. When Canal policy number PIA06303301 was in effect, it had a limit of $60,000.00 Combined Single Limit, not $100,000.00 shown on these certificates.

200. Sheffield policy number 070-07335118 is a false policy.

201. There was no Sheffield workers' compensation policy in force for Hodge d/b/a Earthmovers at any time.

202. USLIC never issued an inland marine policy number CEQ0953924.

203. CEQ0953924 was the quote number provided to Respondent from USLIC, but no

policy was ever issued.

CONCLUSIONS OF LAW

1. In accordance with Tenn. Comp. R. and Regs. 1360-4-1-.02(7), Petitioner bears the burden of proof in proving by a preponderance of the evidence that the facts alleged in the Petition are true and that the issues raised therein should be resolved in its favor.

2. At all times relevant hereto prior to July 1, 2008, Tenn. Code Ann. § 56-6-112(a) provided, in pertinent part, that "[t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew a license issued under this part or may levy a civil penalty in accordance with subsection (e) or take any combination of such actions, for any one or more of the following causes:

> (2) Violating any law, rule, regulation, subpoena or order of the commissioner or of another state's commissioner;
>
> (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;"

3. At all times relevant hereto prior to July 1, 2008, Tenn. Code Ann. § 56-6-112(e) [Repealed July 1, 2008] provided that:

> With respect to any person licensed or required to be licensed under this part, and in addition to or in lieu of any applicable denial, suspension or revocation of a license, the commissioner may assess a civil penalty against such person in an amount not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each separate violation of a statute, rule or order pertaining to the sale, solicitation or negotiation of insurance in this state. Each day of continued violation constitutes a separate violation.

4. From on or about July 1, 2008, until on or about June 30, 2011, Tenn. Code Ann., § 56-6-112(a) provided that, in pertinent part, "[t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew a license issued under this part or may levy a civil penalty in accordance with § 56-2-305 or take any combination of those actions, for any one (1)

or more of the following causes:

(2) Violating any law, rule, regulation, subpoena or order of the commissioner or of another state's commissioner;

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

5. From on or about July 1, 2008, until on or about June 30, 2011, Tenn. Code Ann. § 56-2-305 provided that, in pertinent part:

(a) If, after providing notice consistent with the process established by § 4-5-320(c) and providing the opportunity for a contested case hearing held in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, part 3, the commissioner finds that any insurer, person, or entity required to be licensed, permitted, or authorized by the division of insurance has violated any statute, rule or order, the commissioner may, at the commissioner's discretion, order:

(2) Payment of a monetary penalty of not more than one thousand dollars ($1,000) for each violation, but not to exceed an aggregate penalty of one hundred thousand dollars ($100,000), unless the insurer, person, or entity knowingly violates a statute, rule or order, in which case the penalty shall not be more than twenty-five thousand dollars ($25,000) for each violation, not to exceed an aggregate penalty of two hundred fifty thousand dollars ($250,000). This subdivision (a)(2) shall not apply where a statute or rule specifically provides for other civil penalties for the violation. For purposes of this subdivision (a)(2), each day of continued violation shall constitute a separate violation. . .

(d) This section does not apply to individual or business entity insurance producers licensed pursuant to chapter 6, part 1 of this title.[1]

1 This subsection appears to be inadvertently left in after the change to Tenn. Code Ann. § 56-6-112(a) and will be disregarded.

6. At all times on or after July 1, 2011, Tenn. Code Ann. § 56-6-112(a) provided that, in pertinent part, "[t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew a license issued under this part or may levy a civil penalty in accordance with this section or take any combination of those actions, for any one (1) or more of the following causes:

> (2) Violating any law, rule, regulation, subpoena or order of the commissioner or of another state's commissioner;
>
> (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;"

7. At all times on or after July 1, 2011, Tenn. Code Ann. § 56-6-112(g) provided:

> If, after providing notice consistent with the process established by § 4-5-320(c), and providing the opportunity for a contested case hearing held in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, the commissioner finds that any person required to be licensed, permitted, or authorized by the division of insurance pursuant to this chapter has violated any statute, rule or order, the commissioner may, at the commissioner's discretion, order:
>
> (1) The person to cease and desist from engaging in the act or practice giving rise to the violation;
>
> (2) Payment of a monetary penalty of not more than one thousand dollars ($1,000) for each violation, but not to exceed an aggregate penalty of one hundred thousand dollars ($100,000). This subdivision (g)(2) shall not apply where a statute or rule specifically provides for other civil penalties for the violation. For purposes of this subdivision (g)(2), each day of continued violation shall constitute a separate violation; and
>
> (3) The suspension or revocation of the person's license.

8. In deciding an appropriate penalty for all violations occurring before July 1, 2011, Tenn. Code Ann. § 56-2-305(b) (2008) requires the Commissioner to consider the following:

(1) Whether the insurer, person or entity could reasonably have interpreted its actions to be in compliance with the obligations required by a statute, rule or order;
(2) Whether the amount imposed will be a substantial economic deterrent to the violator;
(3) The circumstance leading to the violation;
(4) The severity of the violation and the risk of harm to the public;
(5) The economic benefits gained by the violator as a result of noncompliance;
(6) The interest of the public; and
(7) The insurer's, person's, or entity's efforts to cure the violation.

9. In deciding an appropriate penalty for all violations occurring after July 1, 2011, Tenn. Code Ann. § 56-6-112(h) (2011) requires the Commissioner to consider the following:

(1) Whether the person could reasonably have interpreted such person's actions to be in compliance with the obligations required by a statute, rule or order;
(2) Whether the amount imposed will be a substantial economic deterrent to the violator;
(3) The circumstance leading to the violation;
(4) The severity of the violation and the risk of harm to the public;
(5) The economic benefits gained by the violator as a result of noncompliance;
(6) The interest of the public; and
(7) The person's efforts to cure the violation.

10. The Petitioner has met its burden of proof by a preponderance of the evidence that, on forty-nine (49) separate occasions, the Respondent used fraudulent, coercive, or dishonest practices, or demonstrated incompetence untrustworthiness or financial irresponsibility in the conduct of business, constituting grounds for an order revoking Respondent's insurance producer license and levying civil penalties pursuant to Tenn. Code Ann. § 56-6-112(g)(2) (2011) and § 56-2-305 (2008). Respondent's wrongful actions were done knowingly with the

intent to defraud. Respondent shall be assessed a civil penalty of $100.00 for each of the forty-nine (49) violations for a total of Four Thousand Nine Hundred Dollars ($4,900.00).

It is therefore **ORDERED** that the insurance producer license of John Robert Jordan, numbered 0650511, be **REVOKED**, and that the Respondent pay a civil penalty of Four Thousand Nine Hundred Dollars ($4,900.00), payable with sixty (60) days of the effectiveness of this Order.

This Initial Order entered and effective this 20TH day of DEC, 2013.

Thomas G. Stovall

Thomas G. Stovall, Administrative Judge

Filed in the Administrative Procedures Division, this 20TH day of DEC, 2013.

J Richard Collier

J. Richard Collier, Director
Administrative Procedures Division

APPENDIX A TO INITIAL ORDER
NOTICE OF APPEAL PROCEDURES

Review of Initial Order

This Initial Order shall become a Final Order (reviewable as set forth below) fifteen (15) days after the entry date of this Initial Order, unless either or both of the following actions are taken:

(1) A party files a petition for appeal to the agency, stating the basis of the appeal, or the agency on its own motion gives written notice of its intention to review the Initial Order, within fifteen (15) days after the entry date of the Initial Order. If either of these actions occurs, there is no Final Order until review by the agency and entry of a new Final Order or adoption and entry of the Initial Order, in whole or in part, as the Final Order. A petition for appeal to the agency must be filed within the proper time period with the Administrative Procedures Division of the Office of the Secretary of State, 8th Floor, William R. Snodgrass Tower, 312 Rosa L. Parks Avenue, Nashville, Tennessee, 37243-1102. (Telephone No. (615) 741-7008). See Tennessee Code Annotated, Section (T.C.A. §) 4-5-315, on review of initial orders by the agency.

(2) A party files a petition for reconsideration of this Initial Order, stating the specific reasons why the Initial Order was in error within fifteen (15) days after the entry date of the Initial Order. This petition must be filed with the Administrative Procedures Division at the above address. A petition for reconsideration is deemed denied if no action is taken within twenty (20) days of filing. A new fifteen (15) day period for the filing of an appeal to the agency (as set forth in paragraph (1) above) starts to run from the entry date of an order disposing of a petition for reconsideration, or from the twentieth day after filing of the petition, if no order is issued. See T.C.A. §4-5-317 on petitions for reconsideration.

A party may petition the agency for a stay of the Initial Order within seven (7) days after the entry date of the order. See T.C.A. §4-5-316.

Review of Final Order

Within fifteen (15) days after the Initial Order becomes a Final Order, a party may file a petition for reconsideration of the Final Order, in which petitioner shall state the specific reasons why the Initial Order was in error. If no action is taken within twenty (20) days of filing of the petition, it is deemed denied. See T.C.A. §4-5-317 on petitions for reconsideration.

A party may petition the agency for a stay of the Final Order within seven (7) days after the entry date of the order. See T.C.A. §4-5-316.

YOU WILL NOT RECEIVE FURTHER NOTICE OF THE INITIAL ORDER BECOMING A FINAL ORDER

A person who is aggrieved by a final decision in a contested case may seek judicial review of the Final Order by filing a petition for review in a Chancery Court having jurisdiction (generally, Davidson County Chancery Court) within sixty (60) days after the entry date of a Final Order or, if a petition for reconsideration is granted, within sixty (60) days of the entry date of the Final Order disposing of the petition. (However, the filing of a petition for reconsideration does not itself act to extend the sixty day period, if the petition is not granted.) A reviewing court also may order a stay of the Final Order upon appropriate terms. See T.C.A. §4-5-322 and §4-5-317.