

TN-0963608

NPN-7486657



STATE OF TENNESSEE  
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

IN THE MATTER OF:

MARK VAUGHAN

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TID Order No. 14-062

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CONSENT ORDER

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The Insurance Division, of the Tennessee Department of Commerce and Insurance ("Division"), by and through counsel, and Mark Vaughan ("Vaughan") hereby stipulate and agree, subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner"), as follows:

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Consent Order is executed by Vaughan for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. Vaughan fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner for acts and/or omissions not specifically addressed in this Consent Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. Vaughan fully understands that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for violations of Title 56 of the Tennessee Code Annotated addressed specifically in this Consent Order, against Vaughan for violations of law under statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which arise as a result of the execution of this Consent Order by Vaughan.

5. Vaughan expressly waives all further procedural steps, and expressly waives rights to seek judicial review of or to otherwise challenge or contest the validity of this Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

#### **AUTHORITY AND JURISDICTION**

6. The Commissioner has jurisdiction over this matter pursuant to the Tennessee Insurance Law ("Law"). Title 56 of the Tennessee Code Annotated, specifically Tenn. Code Ann. §§ 56-1-101, 56-1-202, 56-2-305 and 56-6-112. The Law places on the Commissioner the responsibility of the administration of its provisions.

### PARTIES

7. 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 public.

8. Vaughan is a citizen and resident of the State of Colorado. Vaughan's address of record on file with the Division is 5220 South Harlan Way, Littleton, Colorado 80123. Vaughan obtained his non-resident insurance producer license number 0963608, on or about November 29, 2006. His license is set to expire on July 31, 2015. Vaughan has maintained his non-resident insurance producer license at all times relevant to the events stated herein.

### FINDINGS OF FACT

9. On March 7, 2013, Vaughan pled guilty to two (2) counts in violation of Colorado criminal law in the Denver Criminal Court. Vaughan pled guilty to a felony for sexual assault of a victim incapable of appraising the nature of the conduct, and a misdemeanor for knowingly committing child abuse.

10. On April 12, 2013, Vaughan was sentenced to five (5) years of probation for the misdemeanor child abuse conviction, and received a two (2) year deferred sentencing for his felony sexual assault guilty plea.

11. As a result of his convictions, on August 12, 2013, the Colorado Division of Insurance ("Colorado Division") entered into a final agency Order with Vaughan placing his resident insurance producer license on probation to run concurrent with his deferred criminal sentence.

12. Beginning in June 2013, and continuing through November 2013 various states began enforcement actions against Vaughan's non-resident insurance producer licenses across the country. As a result, Vaughan had his non-resident license revoked in California, North Dakota, South Dakota, Maryland, Minnesota, Arkansas, Wisconsin, Ohio, and Pennsylvania.

13. On or about July 29, 2013, the Division received Vaughan's renewal application for his Tennessee non-resident insurance producer license. Vaughan answered "no" to the question, "Have you been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime, which has not been previously reported to this state?" However, Vaughan answered "yes" to the question, "Have you been named or involved as a party in an administrative proceeding regarding any professional or occupational license or registration, which has not been previously reported to this state?" In support of his answer to the administrative proceedings question, Vaughan attached several enforcement actions taken against him in various states, all of which referred to his criminal convictions from April 12, 2013.

14. The Division has no record of Vaughan disclosing his April 12, 2013, felony conviction or related charges and guilty plea. The first notice of Vaughan's criminal matter was received by the Division on or around July 29, 2013, in which his renewal application indirectly disclosed his criminal conviction as it was referenced in the administrative actions he disclosed to the Division.

#### CONCLUSIONS OF LAW

15. Tenn. Code Ann. § 56-6-112(a) provides that "[t]he commissioner may place on probation, suspend, revoke, or refuse to issue or renew a license issued under this part and/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; [and]
- .....  
(9) Having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory"[]]

16. Tenn. Code Ann. § 56-6-119(b) provides, in pertinent part, that a producer shall report to the Commissioner within thirty (30) days of the initial pretrial hearing date, any prosecution of the producer taken in any jurisdiction, including a copy of the initial complaint, the order resulting from the hearing, and any other relevant legal documents.

17. Based upon the Findings of Fact stated above and the Conclusions of Law contained herein, the Commissioner considers the actions of Vaughan to be in violation of Tenn. Code Ann. §§ 56-6-112(a)(2) and (9) for having received two (2) criminal convictions and as a result having actions taken against his resident and non-resident insurance producer licenses in ten (10) states. Such facts provide grounds for the revocation of Vaughan's insurance producer license, number 0963608, and the imposition of a One Thousand Dollar (\$1,000) civil penalty for each violation in accordance with Tenn. Code Ann. §§ 56-6-112(a) and (g).

18. In order to avoid any further expenses or costs associated with litigating this matter in any administrative or judicial proceedings, Vaughan hereby acknowledges the Commissioner's authority to administer the statutes cited herein, concedes that the Commissioner's interpretation of the statutes cited in the Conclusions of Law are reasonable and enforceable, and agrees to the entry of this Consent Order including each of the sanctions ordered by the Commissioner.

**ORDER**

**NOW, THEREFORE**, on the basis of the foregoing, and Vaughan's waiver of the right to a hearing and appeal under the Law and the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 to 4-5-404 (2011), and Vaughan's admission of jurisdiction of the Commissioner, the Commissioner finds that Vaughan, for the purpose of settling this matter admits to the Conclusions of Law, agrees to the entry of this Order and agrees that this Order is in the public interest, necessary for the protection of consumers and consistent with the purposes fairly intended by the policy and provisions of the Law.

**IT IS ORDERED**, pursuant to Tenn. Code Ann. §§ 56-6-112(a) and (g), that:

1. Insurance Producer License, number 0963608, issued to Vaughan, is hereby **REVOKED**, beginning immediately upon final execution of this agreement.

**IT IS FURTHER ORDERED**, pursuant to Tenn. Code Ann. § 56-6-112(g), that  
Vaughan:

1. Pay **CIVIL PENALTIES** in the amount of One Thousand Dollars (\$1,000) within two (2) weeks of the final execution of this Order. Payment shall be mailed to:

State of Tennessee  
Department of Commerce and Insurance  
Legal Office, Attn: Lauren Dantche  
Davy Crockett Tower, 8<sup>th</sup> Floor  
500 James Robertson Parkway  
Nashville, Tennessee 37243

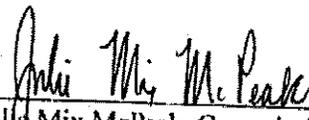
2. In addition, it is further **ORDERED** that all persons in any way assisting, aiding, or helping Vaughan in any of the aforementioned violations of Tenn. Code Ann. §§ 56-6-112 and 56-6-119, shall **CEASE AND DESIST** from all such activities in violation of the Law.

**IT IS ORDERED** that this Consent Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes

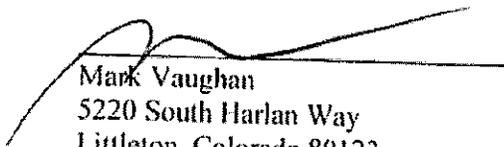
of action by the Commissioner against Vaughan for violations of Tenn. Code Ann. §§ 56-6-112 and 56-6-119 alleged by the Division to have occurred with respect to the transactions involving the facts contained herein.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties, and is for settlement purposes only. By the signatures affixed below, Vaughan affirmatively states he has freely agreed to the entry of this Consent Order, that he waives the right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made to him by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of the settlement as set forth in this Consent Order, are binding upon them.

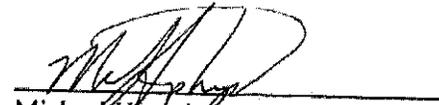
ENTERED this 17<sup>th</sup> day of November, 2014.

  
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Julie Mix McPeak, Commissioner  
Department of Commerce and Insurance

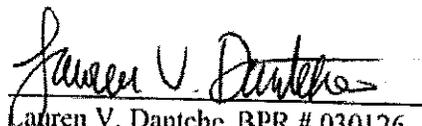
**APPROVED FOR ENTRY:**



Mark Vaughan  
5220 South Harlan Way  
Littleton, Colorado 80123



Michael Humphreys  
Assistant Commissioner for Insurance  
Department of Commerce and Insurance



Lauren V. Dantche, BPR # 030126  
Assistant General Counsel  
500 James Robertson Parkway  
Davy Crockett Tower, 8<sup>th</sup> Floor  
Nashville, Tennessee 37243  
(615) 253-3259  
[Lauren.dantche@tn.gov](mailto:Lauren.dantche@tn.gov)