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**Department of State**  
Administrative Procedures Division  
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Nashville, Tennessee 37243-1102  
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November 6, 2017

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Tennessee Department of Commerce &  
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RE: In the Matter of: Cameron Hunter Adams

Docket No. 12.04-144898J

Enclosed is an Initial Order rendered in connection with the above-styled case.

Administrative Procedures Division  
Tennessee Department of State

/aem  
Enclosure

**RECEIVED**  
**NOV 09 2017**  
**DEPT. OF COMMERCE AND INSURANCE**  
**LEGAL OFFICE**

**BEFORE THE COMMISSIONER OF THE TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE**

**IN THE MATTER OF:**

**CAMERON HUNTER ADAMS**

**DOCKET NO. 12.04-144898J**

**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 **November 21, 2017**.

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, 8<sup>th</sup> 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.

**STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE**

**TENNESSEE INSURANCE  
DIVISION,**

**Petitioner,**

**vs.**

**CAMERON HUNTER ADAMS,  
Respondent.**

**Docket No. 12.04-144898J**

**TID No. 17-028**

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**INITIAL ORDER**

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This contested case was heard on August 18, 2017, in Nashville, Tennessee before the Honorable Phillip R. Hilliard, Administrative Judge, assigned by the Secretary of State, Administrative Procedures Division, to sit for the Commissioner of the Tennessee Department of Commerce and Insurance. The Petitioner was represented by Assistant General Counsel Jesse D. Joseph. The Respondent, Cameron Hunter Adams, was not present nor was an attorney present on his behalf.

**NOTICE OF DEFAULT**

Pursuant to Tenn. Code Ann. § 4-5-307, the Petitioner filed and served a Notice of Hearing and Charges (“NOHC”) against Respondent on June 23, 2017, by First Class Mail, and Certified Mail Return Receipt Requested No. 7012 1010 0003 2374 4818, addressed to Respondent at 209 Skags Hollow Rd., Tazewell, TN 37879. The NOHC notified Respondent that the hearing in this matter was set for 9:00 a.m. Central time, in Conference Room 1-A on the 1<sup>st</sup> Floor of the Davy Crockett Tower, 500 James Robertson Parkway, Nashville, TN 37243.

Because Respondent failed to appear for the hearing, the Petitioner, through counsel, moved for a default. In support of its motion for default, the Petitioner presented evidence

demonstrating that it received, from the US Postal Service, certified mail return receipt cards signed by the Respondent's wife, Deseree Adams, on June 9, 2017, for the Tenn. Code Ann. § 4-5-320(c) letter and draft copy of the NOHC, and on June 26, 2017, for the NOHC. (Certified Mail Return Receipts for Nos. 7012 1010 0003 2374 4795 and 7012 1010 0003 2374 4818, Exhibit 1 and Collective Exhibit 2).

Moreover, the record reflects that the Respondent signed the certified mail receipt card for the Petitioner's Tenn. Code Ann. § 4-5-313 Notice of Intent to Introduce Affidavits of Eben Price and Mike Gogan, at the Skags Hollow Rd. address in Tazewell, Tennessee, on July 14, 2017. (Exhibit 3).

It is also noted that Petitioner's counsel represented he had several telephone conversations with the Respondent the week of the hearing, in which conversations the Respondent advised he would most likely not be present at the hearing.

As announced at the hearing, it was determined that Petitioner properly served the NOHC on the Respondent in compliance with Tenn. Comp. R. & Regs. 1360-04-01-.06 of the Secretary of State's rules. The Respondent did not appear for the hearing on August 18, 2017. Accordingly, pursuant to Tenn. Code Ann. § 4-5-309 and Tenn. Comp. R. & Regs. 1360-04-01-.15(2)(b), as announced at the hearing, the Respondent was held in Default for failure to appear at the hearing conducted on August 18, 2017, and the matter was tried as an uncontested proceeding.

#### **FINDINGS OF FACT**

1. Respondent holds a valid Tennessee nonresident insurance producer license, number 2272616, which became active on or about May 9, 2014, and which is currently scheduled to expire on May 31, 2018. (NOHC, ¶ 5).

2. According to records on file with the Division, Respondent's residential address of record is 7 Cherokee Drive, Middlesboro, KY 40965 (Affidavit of Renee Powell, Exhibit 4). However, the Respondent actually resides at 209 Skags Hollow Rd., Tazewell, TN 37879. (Exhibits 1-3).

3. At all times relevant, Respondent was employed as an insurance producer in the Commonwealth of Kentucky. (Affidavit of Mike Gogan, Exhibit 7; State Farm Internal Audit Report, Exhibit 8; NOHC, ¶ 7).

4. On or about August 16, 2016, State Farm Mutual Automobile Insurance Company ("State Farm") sent notification the Division that Respondent's appointment as a licensed representative had been terminated for cause, due to his forgery of customers' signatures on insurance applications. (Affidavit of Eben Price, Exhibit 5; Mr. Price's August 15, 2016 letter to the Petitioner, Exhibit 6).

5. Beginning in late June through early July 2016, State Farm representatives conducted an internal investigation involving Respondent and several additional team members employed at the same office, based on a customer's report that he did not have a life insurance policy nor did he sign the associated life insurance application, after he obtained an automobile policy written by Respondent through that office. (Affidavit of Mike Gogan, Exhibit 7, at ¶ 7; State Farm Internal Audit Report, Exhibit 8, at p. 2 of 21).

6. On or about June 29, 2016, as part of this internal investigation, State Farm representatives interviewed Respondent, whereupon Respondent admitted to using deceptive sales practices to sell life or health insurance policies by misrepresenting to customers that said policies were included (free), or were discounted, due to the sales of automobile insurance policies. Respondent also admitted during this interview that he forged the signatures of customers on life or health insurance applications in order to receive higher commissions.

(Affidavit of Mike Gogan, Exhibit 7, at ¶¶ 8-11; State Farm Internal Audit Report, Exhibit 8, at p. 8-9 of 21).

7. Specifically, Respondent admitted that on or about November 25, 2015, he forged the signature of State Farm customer B. J. to a life insurance application while employed at a State Farm office. Respondent admitted telling this customer that he was given a life insurance policy, which was included with the purchase of the automobile policy. B. J. then informed Respondent that he didn't want the life insurance policy if it was not free. Further, B. J. never received a life insurance policy from State Farm through the mail. (Affidavit of Mike Gogan, Exhibit 7, at ¶ 10; State Farm Internal Audit Report, Exhibit 8, at p. 8-9 of 21; Voluntary Signed Statement of Respondent dated June 29, 2016, attached to Exhibit 8).

8. In addition, Respondent admitted that on or about May 6, 2015, he forged the signature of State Farm customer M. S. to a health insurance application while employed at a State Farm office. (Affidavit of Mike Gogan, Exhibit 7, at ¶ 11; State Farm Internal Audit Report, Exhibit 8, at p. 9 of 21; Voluntary Signed Statement of Respondent dated June 29, 2016, attached to Exhibit 8).

9. During his employment with a State Farm office in the Commonwealth of Kentucky, Respondent admitted that he forged a total of "maybe 20" customers' signatures on State Farm life insurance applications, and an additional number of customers' signatures on health insurance applications, all without the customers' knowledge or consent. (Affidavit of Mike Gogan, Exhibit 7, at ¶ 11; State Farm Internal Audit Report, Exhibit 8, at p. 9 of 21; Voluntary Signed Statement of Respondent dated June 29, 2016, attached to Exhibit 8).

10. Respondent's actions in knowingly and deliberately adding insurance products such as life or health insurance by describing them as free or included with the sale of other products,

without properly explaining to the customers the benefits and discounts associated with multi-lining these insurance products, are not approved practices of State Farm and, under these circumstances, are considered deceptive sales practices. (Affidavit of Mike Gogan, Exhibit 7, at ¶ 12; Voluntary Signed Statement of Respondent dated June 29, 2016, attached to Exhibit 8).

11. No information was developed during the course of State Farm's investigation which indicated that the proprietor of the State Farm office in which the Respondent was employed participated in, condoned, directed, or was aware of the above described improper sales practices and fraudulent conduct committed by team members such as Respondent. (Affidavit of Mike Gogan, Exhibit 7, at ¶ 13).

#### **CONCLUSIONS OF LAW**

1. In accordance with Tenn. Comp. R. & Regs. 1360-04-01-.02(7) and 1360-04-01-.15(3), the Petitioner has proven by a preponderance of evidence that the facts alleged in the NOHC pertaining to the Respondent are true and that the issues raised therein should be resolved in its favor.

2. Tenn. Code Ann. Title 56, specifically Tenn. Code Ann. §§ 56-1-202 and 56-6-112 (the "Law"), places the responsibility for the administration of the Law on the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner"). The Division is the lawful agent through which the Commissioner discharges this responsibility.

3. On July 12, 2017, and July 17, 2017, the Petitioner filed and served its Tenn. Code Ann. § 4-5-313 Notices of Intent to Introduce Affidavits of Eben Price, Mike Gogan, and Renee Powell. Respondent did not request the opportunity to cross-examine any of these three (3) affiants or object to the introduction of the authenticated exhibits attached to Mr. Price's and Mr.

Gogan's affidavits. Based thereon, all three (3) of the above-referenced affidavits were admitted into evidence at the hearing in this matter.

5. Tenn. Code Ann. §§ 56-6-112(a)(2), (a)(7), (a)(8), and (a)(10) provide:

The 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;
- ...  
(7) Having admitted or been found to have committed any insurance unfair trade practice or fraud;
- ...  
(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere; and
- ...  
(10) Forging another's name to an application for insurance or to any document related to an insurance transaction[.]

6. The Division has shown by a preponderance of the evidence that the Respondent violated laws of the Commissioner in violation of Tenn. Code Ann. § 56-6-112(a)(2); that he admitted to State Farm's Internal Audit team his commission of fraud in violation of Tenn. Code Ann. § 56-6-112(a)(7); that he used dishonest and deceptive practices and demonstrated untrustworthiness in the conduct of insurance business given his misrepresentations to customers by contending that the life or health insurance policies involved were free, or discounted based on his sales of automobile insurance policies, and by forging the signatures of customers on said life or health insurance applications, in violation of Tenn. Code Ann. § 56-6-112(a)(8); and that he forged the signatures of B. J. and M. S., and of many unidentified State Farm customers to applications for life and health insurance, during his tenure with a State Farm office in the Commonwealth of Kentucky, in violation of Tenn. Code Ann. § 56-6-112(a)(10).

7. Tenn. Code Ann. § 56-6-112(g) provides, in pertinent part:



(g) If . . . 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. It is determined that the proof adduced at hearing provides adequate grounds for the revocation of Respondent's Tennessee insurance producer license, and for the imposition of a civil penalty against Respondent in the total amount of five thousand dollars (\$5,000), for his multiple violations of Tenn. Code Ann. §§ 56-6-112(a)(2), (a)(7), (a)(8), & (a)(10), which are detailed above.

9. The Court finds, in accordance with Petitioner's requests at hearing, that imposition of maximum civil penalties is not necessary to further the public interest in this case, due to the facts that Respondent's misconduct appears limited to the Commonwealth of Kentucky, and that Respondent appears to be facing other legal and administrative proceedings in Kentucky arising out of these facts.

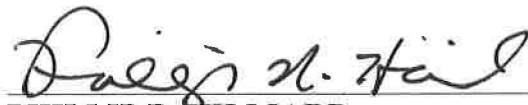
**IT IS, THEREFORE, ORDERED** that:

1. The Respondent's Tennessee insurance producer license (No. 2272616) **be and hereby is, REVOKED**, due to his actions in violation of Tenn. Code Ann. §§ 56-6-112(a)(2), (a)(7), (a)(8), & (a)(10), as described above.
2. Due to the above violations, the Respondent is **ASSESSED CIVIL PENALTIES** of five thousand dollars (\$5,000), pursuant to Tenn. Code Ann. § 56-6-112(g)(2). Said

civil penalty shall be paid in full to the Department of Commerce and Insurance within eighteen (18) months after the date this Initial Order is entered.

3. This INITIAL ORDER, imposing sanctions against the Respondent, is entered to protect the public and consumers of insurance products in Tennessee, consistent with the purposes fairly intended by policy and provisions of the Law.

This INITIAL ORDER entered and effective this the 6<sup>th</sup> day of NOVEMBER, 2017.



**PHILLIP R. HILLIARD**  
**ADMINISTRATIVE JUDGE**  
**ADMINISTRATIVE PROCEDURES DIVISION**  
**OFFICE OF THE SECRETARY OF STATE**

Filed in the Administrative Procedures Division, Office of the Secretary of State, this the 6<sup>th</sup> of NOVEMBER, 2017.



**J. RICHARD COLLIER, DIRECTOR**  
**ADMINISTRATIVE PROCEDURES DIVISION**  
**OFFICE OF THE SECRETARY OF STATE**

**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, 8<sup>th</sup> 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.