



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

TENNESSEE INSURANCE DIVISION,)	
)	
Petitioner,)	
)	
vs.)	TID No.: 18-021
)	
CHASE A. HARDIN,)	
)	
Respondent.)	

AGREED FINAL ORDER

The Tennessee Insurance Division ("TID") of the Tennessee Department of Commerce and Insurance ("Department"), by and through undersigned counsel, and Chase A. Hardin ("Respondent"), agree to the entry of this Consent Order in accordance with the provisions of the Tennessee Insurance Law (the "Law") found under Tenn. Code Ann. § 56-6-112(g).

GENERAL STIPULATIONS

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

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

4. The Respondent fully understands that this Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for the violations of the Law addressed specifically in this Order against the Respondent 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 may arise as a result of the execution of this Order by the Parties.

FINDINGS OF FACT

5. At all times relevant, the Respondent's residential address of record was 2704 Plum Creek Drive, Cordova, TN 38016-0354 and his mailing address of record is 3098 Kirby Whitten Road, Bartlett, Tennessee 38134.

6. Respondent was a holder of Tennessee insurance producer license number 2024124.

7. Respondent's insurance producer license expired on February 28, 2017.

8. On or about February 5, 2016, the TID received notification from State Farm Insurance Company ("State Farm") of the termination "for cause" of the Respondent on the basis of misappropriation of premium funds.

9. Inquisitorial Order No. 16-032 was issued on May 25, 2016, based upon the information provided by State Farm.

10. The subsequent investigation confirmed that the Respondent had misappropriated premium funds by converting cash payments to his own use and then covering the resulting account deficits with payments from his personal credit or debit card(s).

11. The Respondent has admitted to representatives of the Financial Services Investigative Unit (“FSIU”) that he has misappropriated funds from cash premium payments.

12. The Respondent, in discussions with counsel for the TID, has indicated his desire to resolve the above-referenced matter.

14. Respondent stipulates that he will refrain from seeking renewal of his Tennessee insurance producer license at any time in the future.

15. Respondent further agrees to pay a civil penalty in the amount of one thousand dollars (\$1,000) within ninety (90) days of the entry of this Order.

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

17. Respondent has expressly agreed to permanently waive any right to a hearing and appeal under TENN. CODE ANN. §§ 4-5-101 *et seq.*, with respect to this Order.

18. Respondent has voluntarily complied with all requests for information made by representatives of the TID, and has fully cooperated with the investigation by the TID.

19. Petitioner alleges facts as stated herein provide sufficient grounds for a finding that the Respondent violated TENN. CODE ANN. § 56-6-112(a)(6)

CONCLUSIONS OF LAW

20. TENN. CODE ANN. § 56-6-112 states that:

- (a) 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:

...

(4) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;

...

(e) The commissioner shall retain the authority to enforce this part and impose any penalty or remedy authorized by this part and this title against any person who is under investigation for or charged with a violation of this part or this title, even if the person's license has been surrendered or has lapsed by operation of law.

...

(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.

(h) In determining the amount of penalty to assess under this section, the commissioner shall consider:

(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 circumstances 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.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and the waiver by the Respondent of the right to a hearing and appeal under the Tennessee Insurance Law and the Tennessee Uniform Administrative Procedures Act, TENN. CODE ANN. §§ 4-5-101 *et seq.*, and the admission by the Respondent of jurisdiction of the Commissioner, the Commissioner finds that Respondent, for the purpose of settling this matter, admits the Findings of Fact and Conclusions of Law herein, has agreed to the entry of this Order, and that the following Order is appropriate, and is in the public interest.

IT IS ORDERED, pursuant to the stipulation of Respondent Chase A. Hardin, that he shall refrain from seeking renewal of his Tennessee insurance producer license at any time in the future, and that he shall:

1. **COMPLY** with the provisions of the Tennessee Insurance Law, as amended;
2. **CEASE AND DESIST** in any future conduct in violation of any Rule, Regulation, or Statute under the Law;
3. **PAY A CIVIL PENALTY** to the State of Tennessee in the total amount of one thousand dollars (\$1,000) within ninety (90) days of the entry of this Order. Payment shall be mailed to:

**State of Tennessee
Department of Commerce and Insurance
Legal Division, 8th Floor
Attn: Charles S. Herrell, Attorney
Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243**

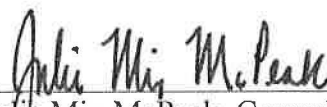
4. If payment is not made according to the terms described above, the TID may vacate this Order, at its sole discretion, upon ten (10) days' notice to Respondent, and without opportunity for an administrative hearing and proceed with an administrative action.

5. **IT IS FURTHER ORDERED** that this 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 Respondent for violations of the Law alleged by the TID to have occurred with respect to the transactions involving the above-referenced facts. However, excluded from and not covered by this paragraph, are any claims by the TID arising from or relating to enforcement of the Order provisions contained herein.

6. This 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, the Respondent affirmatively states that he has freely agreed to the entry of this Order, that he waives the right to a hearing on the matters underlying this 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 TID, or any agent or representative thereof.


7. The parties, by signing this Order, affirmatively state their agreement to be bound by the terms of this Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this Order, are binding upon them.

ENTERED this 30 day of May, 2018.



Julie Mix McPeak, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:



Charles S. Herrell (BPR # 18035)
Assistant General Counsel
Department of Commerce and Insurance
500 James Robertson Parkway, 8th Floor
Nashville, Tennessee 37243
(615) 253-1378/Fax (615) 741-4000



Chase A. Hardin, Respondent