



BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
STATE OF TENNESSEE

TENNESSEE DEPARTMENT OF)
COMMERCE AND INSURANCE,)
DIVISION OF INSURANCE,)
)
Petitioner,)
)
vs.) No. 18-026
)
JOHNNY R. JACKSON)
)
Respondent.)

ORDER TO CEASE AND DESIST

This Order issues as the result of a Petition, and its Exhibits attached thereto, filed by the Tennessee Insurance Division (“TID”) of the Tennessee Department of Commerce and Insurance (“Department”). This Order is based upon the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Tennessee Insurance Law, TENN. CODE ANN. § 56-1-101 *et seq.* (“Law”), places the responsibility for the administration of the Law on the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”). The TID is the lawful agent through which the Commissioner discharges this responsibility for the protection of the public.

2. The TID is authorized to bring this action pursuant to TENN. CODE ANN. § 56-2-304, and this action is based on a finding by the Commissioner that public health, safety, or welfare imperatively requires emergency action¹.

3. Respondent Johnny Ray Jackson (“Jackson”) is a citizen and resident of Tennessee, with last known business addresses of 121 21st Avenue South, Suite 302, Nashville, Tennessee 37240-1103 and 695 Nashville Pike, PMB 377, Gallatin, Tennessee 37066; and last known residential addresses of 1902 Crystal Springs Lane, Hermitage, Tennessee 37076 and 2880 Cages Bend Road, Gallatin, Tennessee, 37066.

4. At all relevant times, Jackson was a former licensee of the Division whose insurance producer license, number 0716183, has been in revoked status since October 26, 1999.

5. Jackson has known associations with Senior Security, LLC (“Senior Security”), an inactive Kentucky based Limited Liability Company; Southern Alliance of Tennessee, LLC (“Southern Alliance”), an inactive Tennessee Limited Liability Company; and Senior Health and Wealth Management, LLC, (“Senior Health and Wealth”), an active Kentucky Limited Liability Company.

6. At all relevant times, Jackson has not held a valid appointment as an agent of any authorized insurance company in the State of Tennessee.

7. Jackson is known to have employed the aliases of “Johnny Tucker” and “John Jay Tucker” in contacts made with at least one Tennessee consumer of insurance products.

¹ The Law grants the Commissioner authority to issue a cease and desist order upon a finding by the Commissioner that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in an order, a summary cease and desist order may be issued pending proceedings for other actions under this part. These proceedings shall be promptly instituted and determined. Tenn. Code Ann. § 56-2-304.

8. In a series of insurance transactions occurring in prior years, Jackson represented himself to Patricia B. Selle (“Ms. Selle”) as “Johnny Tucker” or “John Jay Tucker.”

9. On or about August 3, 2017, Ms. Selle was eighty-four (84) years of age.

10. On or about August 3, 2017, Jackson solicited the sale of a purported variable annuity product to Tennessee resident and insurance consumer Ms. Selle of Columbia, Tennessee.

11. At the time of the August 3, 2017, solicitation to Ms. Selle, Jackson held himself out to her under the identity of “Johnny Tucker.”

12. The product that was the subject of the August 3, 2017, solicitation by Jackson was in the form of an addition to the principal of one of Ms. Selle’s existing annuities with Fidelity and Guaranty Life Insurance Company (“Fidelity”) in the amount of ten thousand dollars (\$10,000).

13. As an inducement to complete the proposed annuity sale on August 3, 2017, Jackson represented to Ms. Selle that he was acting as an agent of Fidelity, through the agency he named as Southern Alliance of Tennessee, LLC, when in fact there was no current relationship between Fidelity and Jackson, or Fidelity and Southern Alliance of Tennessee, LLC.

14. Ms. Selle agreed to the purchase of the purported annuity product, making payment by personal check number 1140, drawn on her account at First Farmers and Merchants Bank of Columbia, Tennessee.

15. The payee on check number 1140 was named as “Fidelity Health and Wealth Management.”

16. On or about August 4, 2017, Jackson deposited check number 1140 into an account in the name of Senior Security, LLC (“Senior Security”), a Kentucky based Limited Liability Company

currently in inactive status, but was or is under the control of Jackson.²

17. The name of the payee on check number 1140, as drawn on the account of Ms. Selle, was altered to read “Senior Health and Wealth Management” prior to Jackson depositing the check into the account of Senior Security.³

18. Jackson represented to Ms. Selle that she could expect to draw an additional sum of five hundred dollars (\$500) each month as a result of making the additional investment in the existing annuity.

19. Jackson, by the use of apparent authority to make changes in the Fidelity account of Ms. Selle, made a request to Fidelity for an increase in the amount of the monthly annuity payment from Policy Number L9321294 by one hundred sixty-five dollars (\$165).

20. Ms. Selle received a letter from Fidelity dated September 13 2017, cautioning her that an increase in the monthly dividend could have adverse consequences.

21. Ms. Selle made an inquiry to Fidelity as to the meaning of the September 13, 2017, letter, and was informed that Fidelity had not received her check for ten thousand dollars (\$10,000).

22. When presented with this information from Fidelity, Ms. Selle contacted the Maury County, Tennessee Sheriff’s office on or about September 21, 2017, to file a complaint.

23. On or about September 28, 2017, Jackson returned the sum of ten thousand dollars (\$10,000) by a check written on the account of Senior Security using the identity of “Johnny Jackson” on the signature line of the check.

² The records of the Kentucky Secretary of State indicate that Senior Security, LLC has been inactive since September 22, 2011.

³ The records from the Kentucky Secretary of State website indicate that Senior Health and Wealth Management, LLC is an active Limited Liability Company whose member/manager was the late Forrest J. McDole, a known associate of Jackson whose Tennessee Insurance producer license was revoked on October 26, 2016.

24. Until the presentation of the reimbursement check to Ms. Selle, on or about September 28, 2017, Jackson continued to maintain to Ms. Selle that his identity was that of Johnny “Jay” Tucker.

25. Jackson is a former licensee of the Division whose insurance producer license, number 0716183, was revoked in an Agreed Order dated October 26, 1999. (Exhibit Eight).

26. Grounds for revocation stipulated within the October 26, 1999, Agreed Order included the improper withholding or misappropriation of funds received in the insurance business, misrepresentation of the terms of an actual or proposed insurance contract, and conduct of affairs using fraudulent or dishonest practices while under license. Tennessee Insurance Division v. Johnny R. Jackson, Docket No. 12.01-0056941.

27. In an Initial Order entered on October 26, 2016, under Docket No. 12.01-130904J, Jackson was found to have violated TENN. CODE ANN. § 56-6-112(a)(2) and (8) for knowingly selling, soliciting, and negotiating insurance in the State of Tennessee in violation of TENN. CODE ANN. § 56-6-103.

28. In the October 26, 2016, Initial Order, Jackson was ordered to cease and desist from any activity in violation of the Tennessee Insurance Law.

29. Respondent has continued his unlicensed and unlawful activities in the insurance industry in Tennessee in violation of the existing lawful Orders of the Commissioner dated October 26, 1999, and October 26, 2016.

CONCLUSIONS OF LAW

1. The Commissioner finds that public health, safety, and welfare imperatively requires this emergency action, and that it is necessary for the protection of Tennessee insurance consumers,

pursuant to TENN. CODE ANN. § 56-2-304. In addition, the Commissioner finds that prior notice to the Respondent of this Cease and Desist Order would not have been in the public interest and detrimental to the protection of Tennessee insurance consumers.

Unlicensed Insurance Solicitation, Sales, and Negotiation

2. The Commissioner finds the evidence that the Respondent has solicited and sold a purported insurance product in Tennessee without being licensed to do so is sufficient grounds under TENN. CODE ANN. § 56-2-304 for the entry of an Order to cease and desist all insurance related activities.

Forgery and Misappropriation

3. The Commissioner finds the evidence that the Respondent has engaged in acts of forgery and misappropriation related to insurance business is a sufficient ground under TENN. CODE ANN. § 56-2-304 for the entry of an Order to cease and desist all insurance related activities.

Insurance Fraud

4. The Commissioner finds that the evidence that the Respondent has engaged in the solicitation and sale of an insurance product under false pretenses thereby committing insurance fraud within the meaning of TENN. CODE ANN. §§ 56-53-103(a)(1)(A) and (a)(2)(A) and the employment of fraudulent and dishonest practices within the meaning of TENN. CODE ANN. § 56-6-112(a)(8) are sufficient grounds under TENN. CODE ANN. § 56-2-304 for the entry of an Order to cease and desist all insurance related activities.

The Ongoing Unlawful Conduct of the Respondent' Warrants the Issuance of an Order to Cease and Desist

5. The ongoing unlawful conduct of the Respondent necessitates an order to cease and desist all such unlawful activity to prevent the Respondent from continuing to engage in insurance related activities while not being licensed to offer, sell, or negotiate insurance in Tennessee in disregard for existing lawful Orders of the Commissioner dated October 26, 1999, and October 26, 2016.

ORDER

NOW, THEREFORE, in consideration of the foregoing, it is **ORDERED** that:

1. Respondent **SHALL COMPLY** with the Law and all rules promulgated thereunder.
2. The Respondent **SHALL CEASE AND DESIST** any further insurance related activity in the State of Tennessee until such time as he is effectively licensed by the TID to engage in such activity.
3. Any persons aiding or otherwise acting in concert with the Respondent, and any successor entities or individuals, **SHALL IMMEDIATELY CEASE AND DESIST** from any and all insurance related activities, including but not limited to, the solicitation, sale, or negotiation of insurance until such time as the Respondent is effectively licensed by the TID to engage in such activity.
4. This Order to Cease and Desist is not intended to prohibit any lawful conduct in which the Respondent might be engaged.
5. Entry of this Order to Cease and Desist shall not in any way restrict the TID or the Commissioner of the Department from taking further action with respect to these or other possible violations of the Law, or any of the rules promulgated thereunder, by the Respondent.

6. Respondent is advised that he has the right to a hearing as to all matters raised in this Order to Cease and Desist. If Respondent wishes to exercise his right to a hearing, please notify:

**MICHAEL HUMPHREYS
ASSISTANT COMMISSIONER FOR INSURANCE
STATE OF TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
DAVY CROCKETT TOWER, 7TH FLOOR
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243**

Such request must be received within thirty (30) days from the date of entry of this Order to Cease and Desist. This Order to Cease and Desist shall become a Final Order thirty (30) days from the date of its entry, unless written notification requesting a hearing is made within that thirty (30) day period.


ENTERED this 24 day of April, 2018.


Julie Mix McPeak, Commissioner

APPROVED FOR ENTRY:


Michael Humphreys
Assistant Commissioner for Insurance
Department of Commerce and Insurance

ISSUANCE REQUESTED BY:


Charles S. Herrell (BPR# 018035)
Assistant General Counsel
Department of Commerce and Insurance
Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243
(615) 253-1378



CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon Respondent Johnny R. Jackson at his last known address(es) as listed below via certified and first-class U.S. Mail on this the 25th day of April, 2018

121 21st Avenue South, Suite 302
Nashville, Tennessee 37240-1103

Receipt No. 70141200000171871802

695 Nashville Pike, PMB 377
Gallatin, Tennessee 37066

Receipt No. 70141200000171871789

1902 Crystal Springs Lane
Hermitage, Tennessee 37076

Receipt No. 70141200000171871772

2880 Cages Bend Road
Gallatin, Tennessee, 37066.

Receipt No. 70141200000171871765



Charles S. Herrell