

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

IN THE MATTER OF:

LOUIS S. POPE,

Respondent

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No.: 07-074

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CONSENT ORDER

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The Tennessee Insurance Division ("Division"), and Louis S. Pope, ("Respondent") hereby stipulate and agree, to the entry of this Consent Order subject to the approval of the Commissioner 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 Consent Order by the Commissioner.

2. This Consent Order is executed by Respondent 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. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against Respondent for acts/or omissions not

specifically addressed in this Consent Order or for acts and/or omissions that do not arise from the facts or transactions herein addressed.

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

### FINDINGS OF FACT

1. The Tennessee Insurance Law, as amended, Tennessee Code Annotated (“Tenn. Code Ann.”), Title 56 (“Law”) places the responsibility for the administration of the Law on the Commissioner of Commerce and Insurance.

2. Respondent is a citizen of Tennessee and a resident of Collierville, with his mailing address being 800 Lindi Drive, Collierville, Tennessee 38017. Respondent, at all times relevant to the events herein, has been licensed by the Division to sell insurance in this state as an insurance producer, having obtained said license, numbered 610576, on July 1, 1976.

3. Respondent, acting through Louis S. Pope & Co., engaged in an agreement to divide brokerage fees to allow his company to be named as broker of record for insurance policies sold, directly and net of commission, to nine (9) different client companies without the knowledge or consent of UnumProvident Corporation (“UnumProvident”).

4. Respondent did not provide any brokerage services to UnumProvident or the nine (9) different client companies. In addition, none of the client companies consented or authorized Respondent to serve as broker of record.

5. Respondent was aware, for each of the policies sold, that he was named the broker

of record on the policy. Respondent was not appointed by the client companies as broker of record for any of the policies sold.

6. Respondent accepted the commissions being paid on these policies and then paid back ninety percent (90%) of these commissions through the issuance of an Internal Revenue Service Form 1099. Respondent retained ten percent (10%) of the commissions.

7. As a result of the Respondent's participation in the scheme, UnumProvident sustained losses of approximately Six Million One Hundred Twenty-Four Thousand Seven Hundred Thirty-One Dollars and Twenty Cents (\$6,124,731.20).

8. Respondent has not had any complaints alleged against him prior to this instance. In addition, Respondent has paid full restitution to UnumProvident for the monies he received.

9. Respondent fully cooperated with the internal investigation completed by UnumProvident and the criminal prosecution of James Foley.

#### CONCLUSIONS OF LAW

10. Tenn. Code. Ann. § 56-6-112(a)(8) provides, that the Commissioner may place on probation, suspend, revoke, or levy a civil penalty in accordance with Tenn. Code Ann. § 56-6-112(e), or take any combination of such actions, if she finds that an insurance producer used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this state or elsewhere.

11. The facts stated in Paragraphs 1-9, above, demonstrate that Respondent used fraudulent or dishonest practices demonstrating untrustworthiness in the conduct of doing business in this State by agreeing to receive unauthorized commissions from UnumProvident for brokerage services that he did not provide to nine (9) different client companies.

12. Based upon the Findings of Fact cited above and the Conclusions of Law

contained herein, the Commissioner considers the actions of Respondent to be in violation of Tenn. Code Ann. § 56-6-112(a)(8) and to provide grounds for imposition of sanctions set forth Tenn. Code Ann. § 56-6-112(a) and (e).

13. Respondent hereby admits to the Findings of Fact, above, and further admits that the Conclusions of Law, above, are fair and reasonable. In order to avoid any further expenses or costs associated with litigating this matter, hereby desires to enter into this Consent Order.

### ORDER

NOW, THEREFORE, on the basis of the foregoing, and the waiver by Respondent of his rights to a hearing and appeal under the Tennessee Insurance Law, Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101, et seq., and the admission by Respondent of the jurisdiction of the Commissioner, the Commissioner finds that Respondent has agreed to the entry of this Order and that this Order is appropriate, and in the public interest.

**IT IS ORDERED**, pursuant to Tenn. Code Ann. § 56-6-112 that:

1. Respondent's insurance producer license and all other licenses authorizing Respondent to sell any type of insurance in the State of Tennessee are hereby suspended for the period of January 1, 2008 through January 31, 2008. The Respondent may resume selling insurance in the State of Tennessee on February 1, 2008. Respondent shall not be required to surrender the above licenses, nor apply for renewal of the same, because of this suspension.

2. Respondent shall pay a civil penalty in the amount of nine thousand dollars (\$9,000). The penalty shall be due upon the entry of this order. Failure to pay the civil penalty by February 1, 2008, shall constitute grounds for automatic revocation without conducting a hearing pursuant to Tenn. Code Ann. § 4-5-101, et seq.

3. Respondent shall be subject to a three (3) year probation that shall commence upon entry of this order. During the probationary period, any new violations of Tenn. Code Ann. § 56-6-112, shall constitute a violation of this Consent Order which will provide grounds for revocation of Respondent's insurance producer license pursuant to Tenn. Code Ann. § 4-5-101, et seq.

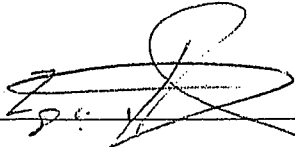
This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, Respondent affirmatively states that he has freely agreed to the entry of this Consent Order, that he has been advised that he may consult legal counsel in this matter, has had the opportunity to consult with legal counsel and chose to do so, that he waives his 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 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 settlement set forth in this Consent Order, are binding upon them.

**SO ORDERED.**

Entered this the 27<sup>th</sup> day of December, 2007.

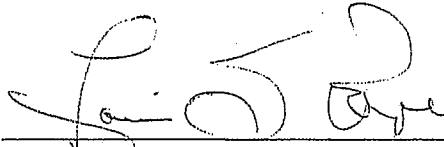
Leslie A. Newman  
Leslie A. Newman, Commissioner  
Department of Commerce and Insurance

APPROVED FOR ENTRY:

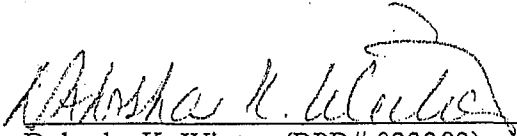


Assistant Commissioner

Department of Commerce and Insurance  
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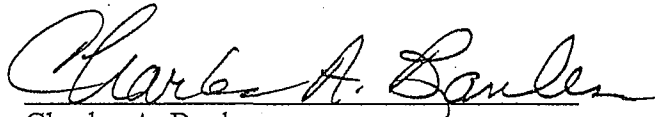


Louis S. Pope  
Respondent



Dakasha K. Winton (BPR# 023383)  
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