



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

TENNESSEE INSURANCE DIVISION,)
)
 Petitioner,)
)
 vs.)
)
 STAFFORD WAYNE SHOFNER,)
)
 Respondent.)

TID No.: 21-047

CONSENT ORDER

The Insurance Division of the Tennessee Department of Commerce and Insurance (“Division”) and Stafford Wayne Shofner (the “Respondent”) hereby stipulate and agree to the entry and execution of this Consent Order, subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”) as follows:

I. GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to and requires the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the Commissioner’s signature and execution of this Consent Order. Entry and execution of this Consent Order by the Commissioner shall occur once the Commissioner signs and dates this Consent Order.

2. This Consent Order is entered into by the Respondent for the purpose of avoiding further administrative action with respect to this cause. 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. The Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Consent Order or for facts and/or omissions that do not arise from the facts or transactions addressed herein.

4. The Respondent fully understands that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for violations of the law addressed specifically in this Consent Order, or for violations of the 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 entry and execution of this Consent Order.

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

6. The Respondent fully understands that this Consent Order, when entered, will constitute a public document for purposes of any applicable statutes governing public access to government records.

II. AUTHORITY AND JURISDICTION

7. The Commissioner has jurisdiction over insurance matters pursuant to Title 56 of the Tennessee Code Annotated (“Tenn. Code Ann.”), specifically Tenn. Code Ann. §§ 56-1-202

and 56-6-112 (the “Law”). The Division is the lawful agent through which the Commissioner discharges this responsibility.

III. PARTIES

8. The Division is the lawful agent through which the Commissioner discharges the administration of the Law, and it is authorized to bring this action for the protection of Tennessee citizens.

9. The Respondent is a licensee of the Division who is responsible for being compliant with the insurance laws and regulations of the State of Tennessee.

10. The Respondent’s address on record with the Division is 6535 Tioga Pl, Dallas, TX 75241.

11. The Respondent holds a valid non-resident insurance producer license, number 1003590, which became active on or about December 16, 2013.

12. The Respondent is assigned National Insurance Producer Number 8344718 by the National Insurance Producer Registry (“NIPR”), a service of the National Association of Insurance Commissioners (“NAIC”).

IV. FINDINGS OF FACT

13. At all times relevant hereto, the Respondent was, and remains, licensed in Tennessee as a non-resident insurance producer.

14. On October 19, 2010, the Kansas Insurance Department entered a Final Order against the Respondent, revoking the Respondent’s insurance agent’s license for demonstrating incompetence or untrustworthiness in the conduct of business and failure to respond to inquiry, finding that the Respondent’s agent agreements were terminated from Travelers Insurance after he provided a quote using incorrect information and ultimately sold a policy to a consumer who was

ineligible for any Travelers Insurance programs. The Respondent failed to timely disclose the October 19, 2010, Final Order to the Division.

15. On June 24, 2014, the Arkansas Insurance Department entered a License Denial Order against the Respondent, denying the Respondent's application for a non-resident insurance producer license, finding the Respondent did not disclose an administrative action on his application taken by the Kansas Insurance Department on September 28, 2010. The Respondent failed to timely disclose the June 24, 2014, License Denial Order to the Division.

16. On June 22, 2016, the Indiana Department of Insurance denied the Respondent's application for a non-resident insurance producer license, finding the Respondent demonstrated a lack of fitness or trustworthiness. The Respondent failed to timely disclose the June 22, 2016, denial to the Division.

17. On January 12, 2017, the Louisiana Department of Insurance entered a Notice of Fine for Stafford Shofner, fining the Respondent two hundred fifty dollars (\$250), finding the Respondent failed to report the June 22, 2016, Indiana license denial to the Louisiana Department of Insurance. The Respondent failed to timely disclose the January 12, 2017, Notice of Fine for Stafford Shofner to the Division.

18. On May 9, 2017, the Louisiana Department of Insurance entered a Notice of Regulatory Action against the Respondent, suspending the Respondent's non-resident insurance producer license, finding the Respondent failed to pay the two hundred fifty dollar (\$250) fine issued on January 12, 2017. The Respondent failed to timely disclose the May 9, 2017, Notice of Regulatory Action to the Division.

19. On June 29, 2017, the Mississippi Insurance Department entered a Consent to Administrative Fine, fining the Respondent two hundred fifty dollars (\$250), finding the

Respondent failed to report the January 12, 2017, Louisiana Notice of Fine for Stafford Shofner to the Mississippi Insurance Department. The Respondent failed to timely disclose the June 29, 2017, Consent to Administrative Fine to the Division.

20. On August 2, 2017, the Respondent submitted a non-resident insurance producer license renewal application (“Renewal Application”) to the Division.

21. In his Renewal Application, the Respondent disclosed the administrative actions taken against him in other states.

22. On August 14, 2017, Kimberly Biggs, the Division’s Director of Agent Licensing, referred the Respondent’s Renewal Application to the Division’s Financial Services Investigations Unit for further examination.

23. On October 6, 2017, the Division entered Inquisitorial Order No. 17-079, commencing an investigation into the Respondent for violation of the Law.

V. CONCLUSIONS OF LAW

24. At all times relevant hereto, Tenn. Code Ann. § 56-6-112 has provided:

(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:

...

(2) Violating any law, rule, regulation, subpoena or order of the commissioner or of another state’s commissioner[.]

...

(b) Any action by the commissioner to put on probation, suspend, revoke or deny the renewal of a license pursuant to this section shall be governed by the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

...

- (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.
- (f) The commissioner may serve a notice or order in any action arising under this part by registered or certified mail to the insurance producer or applicant at the address of record in the files of the department. Notwithstanding any law to the contrary, service in the manner set forth in this subsection (f) shall be deemed to constitute actual service on the insurance producer or applicant.
- (g) If, after providing notice consistent with the process established by § 4-5-320(c), and providing the opportunity for a contested case hearing held in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, 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.

25. At all times relevant hereto, Tenn. Code Ann. § 56-6-119 has provided that:

- (a) A producer shall report to the commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within thirty (30) days of the final disposition of the matter. This report shall include a copy of any order entered or other relevant legal documents.

26. The Respondent violated Tenn. Code Ann. § 56-6-112(a)(2) when he failed to timely disclose administrative actions taken against him in other jurisdictions within thirty (30) days of the final disposition of the matters, in violation of Tenn. Code Ann. § 56-6-119.

27. The Respondent hereby acknowledges the Commissioner's authority to administer the statutes cited herein, concedes that the interpretation of the statutes cited herein are reasonable and enforceable, and agrees to the Commissioner's entry and execution of this Consent Order, including each of the following sanctions ordered below.

VI. ORDER

NOW, THEREFORE, based on the foregoing, including the Respondent's waiver of the right to a hearing and appeal under the Law and the Tennessee Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondent's admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondent, for purposes of settling this

matter, admits to the Findings of Fact and Conclusions of Law contained herein, agrees to the entry and execution of this Consent Order, and finds this Consent Order to be appropriate, in the best interest of the public, and necessary for the protection of the public.

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

1. Stafford Wayne Shofner shall **PAY A CIVIL PENALTY** to the State of Tennessee of five hundred dollars (\$500). The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and Insurance. Page one (1) of this Consent Order must accompany the payment for reference. Payment shall be remitted within thirty (30) days of entry and execution of this Consent Order, as evidenced by the Commissioner's signature, and mailed to the attention of:

**State of Tennessee
Department of Commerce and Insurance
Attn: Garron Amos
Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243**

2. This Consent Order represents the complete and final resolution of and discharge of all administrative and civil claims, demands, actions, and causes of action by the Commissioner against the Respondent for violations of the Law with respect to the transactions involved in the above-referenced facts; however, excluded from, and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of the Consent Order provisions contained herein.


3. This Consent Order is in the best interest of both the public, and the parties, and represents a compromise and settlement of the controversy between the parties. By his signature affixed below, the Respondent states that he has: (1) freely agreed to the entry and execution of this Consent Order; (2) been afforded the opportunity to consult with legal counsel in this matter;

(3) reviewed the Findings of Fact and Conclusions of Law contained herein; and (4) waived his right to a hearing on the matters underlying this Consent Order and the enforcement of this Consent Order. The Respondent further states that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof with regard to this Consent Order.

4. By signing this Consent Order, the parties 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 herein, are binding upon them.

5. This Consent Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one (1) and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

ENTERED AND EXECUTED March 23, 2021.


Carter Lawrence (Mar 23, 2021 14:15 CDT)

Carter Lawrence, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:

DocuSigned by:
Stafford Shofner 3/21/2021
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Stafford Wayne Shofner
Respondent

Bill Huddleston
Bill Huddleston (Mar 22, 2021 19:14 CDT)
Bill Huddleston
Assistant Commissioner for Insurance
Department of Commerce and Insurance

Garron Amos
Garron Amos (BPR# 035924)
Associate General Counsel
Department of Commerce and Insurance