

**State of Tennessee**  
**Department of State**  
Administrative Procedures Division  
312 Eighth Avenue North  
8<sup>th</sup> Floor, William R. Snodgrass Tower  
Nashville, Tennessee 37243  
Phone: (615) 741-7008 Fax: (615) 741-4472

July 29, 2005

Commissioner Paula Flowers  
Department of Commerce & Insurance  
Davy Crockett Tower  
500 James Robertson Parkway  
Nashville, TN 37243-5065

Lawrence W. Bartlett  
516 Neibors Drive  
Soddy Daisy, TN 37379


The Honorable Tracey Gentry Harney, Esq.  
Staff Attorney  
Department of Commerce & Insurance  
Office of General Counsel  
500 James Robertson Parkway  
5<sup>th</sup> Floor, Davy Crockett Tower  
Nashville, Tennessee 37243

RE: In the Matter of: Lawrence W. Bartlett Docket No. 12.01-059718J

Dear Parties:

Please find enclosed a copy of an Initial Order rendered in connection with the above-styled case.

Sincerely yours,

  
Charles C. Sullivan, II, Director  
Administrative Procedure Division

/aem

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

<b>IN THE MATTER OF:</b>	)	
	)	
<b>TENNESSEE INSURANCE DIVISION,</b>	)	<b>DOCKET NO. 12.01-059718J</b>
<i>Petitioner</i>	)	
	)	
<b>vs.</b>	)	
	)	
<b>LAWRENCE W. BARTLETT,</b>	)	
<i>Respondent.</i>	)	

**ORDER**

THIS ORDER 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. A PARTY FILES A WRITTEN APPEAL OR PETITION FOR RECONSIDERATION WITH THE ADMINISTRATIVE PROCEDURES DIVISION NO LATER THAN AUGUST 15, 2005.
- OR
2. THE AGENCY FILES A WRITTEN NOTICE OF REVIEW WITH THE ADMINISTRATIVE PROCEDURES DIVISION NO LATER THAN AUGUST 15, 2005.

YOU MUST FILE THE APPEAL, PETITION FOR RECONSIDERATION, OR NOTICE OF REVIEW WITH THE ADMINISTRATIVE PROCEDURES DIVISION. THE ADDRESS OF THE ADMINISTRATIVE PROCEDURES DIVISION IS:

SECRETARY OF STATE  
ADMINISTRATIVE PROCEDURES DIVISION  
8<sup>TH</sup> FLOOR, WILLIAM R. SNODGRASS TOWER  
312 EIGHTH AVENUE NORTH  
NASHVILLE, TENNESSEE 37243

IF YOU HAVE ANY FURTHER QUESTIONS, PLEASE CALL THE ADMINISTRATIVE PROCEDURES DIVISION, 615/741-7008 OR 741-2078 OR FAX 741-4472.

**YOU WILL NOT RECEIVE FURTHER NOTICE OF THE INITIAL ORDER BECOMING A FINAL ORDER**

PLEASE CONSULT APPENDIX A AFFIXED TO THE INITIAL ORDER FOR NOTICE OF APPEAL PROCEDURES.

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

<b>TENNESSEE INSURANCE DIVISION,</b>	)	
<b>Petitioner,</b>	)	
	)	
<b>vs.</b>	)	<b>No.: 12.01-059718J</b>
	)	
<b>LAWRENCE W. BARTLETT,</b>	)	
<b>Respondent.</b>	)	

---

**NOTICE OF DEFAULT AND INITIAL ORDER**

---

This matter came to be heard on July 25, 2005, before Anthony Adgent, an Administrative Judge assigned to the Secretary of State, Administrative Procedures Division, and sitting for the Commissioner of the Tennessee Department of Commerce and Insurance in Nashville, Tennessee. Tracey Gentry Harney, Staff Attorney, Department of Commerce and Insurance, represented the State. The Respondent, Lawrence Bartlett, was not present at the hearing, nor did an attorney appear on his behalf.

**ORDER OF DEFAULT**

This matter was heard upon the Petitioner's Motion for Default due to a failure of the Respondent, Lawrence Bartlett, to appear or to be represented at the hearing on July 25, 2005, after receiving proper notice thereof. The record indicates that the Respondent, Lawrence Bartlett, was properly served under the provisions of Tenn. Code Ann. § 56-6-112. After consideration of the record, it was determined that the Petitioner's motion was proper. The Respondent, Lawrence Bartlett, was held in **DEFAULT**, and the Petitioner was permitted to proceed with an uncontested case.

## INITIAL ORDER

The subject of this hearing was the proposed revocation of the Respondent's insurance producer license in Tennessee. After consideration of the argument of counsel and the record in this matter, it is the determination of this administrative judge that the Respondent's insurance producer license should be **REVOKED** and the Respondent is ordered to pay Fifteen Thousand Dollars (\$15,000) in civil penalties. This decision is based upon the following findings of fact and conclusions of law.

## FINDINGS OF FACT

1. The Respondent, Lawrence W. Bartlett (hereinafter referred to as "Respondent"), is a citizen of Tennessee and resident of Soddy Daisy, with his mailing address being 516 Neighbors Drive, Soddy Daisy, Tennessee 37379 and, at all times relevant to the events herein, has been licensed by the Division to sell insurance in this state as an agent producer, license number 12956.
2. Some time prior to June 1, 2001, Respondent accepted payment from Cumberland Transportation Co. (hereinafter referred to as "Cumberland"), in the amount of Thirty-Five Thousand and Eighty-Seven Dollars and fifty-nine cents (\$35,087.59) for the payment of premiums on two (2) insurance policies.
3. On or about June 1, 2001, Respondent sent a check to Vista Insurance Partners (hereinafter referred to as "Vista") for the payment of Cumberland's insurance premiums. The check was returned to Vista for insufficient funds to cover the check.
4. Respondent failed to respond to repeated requests, from Vista to pay the balance in full. As a result, Vista cancelled the two (2) policies of Cumberland.

5. Upon proof of payment in full to Respondent by Cumberland, Vista reinstated the policies.

6. Respondent has an outstanding balance of Three Thousand, Eight Hundred and Ninety-Nine Dollars and Five Cents (\$3,899.05) with Horner Insurance Services, Inc. (hereinafter referred to as "Horner") for premiums collected but never remitted to Horner, an agency that Respondent worked with.

7. On or about May 18, 2001, Valley Transport (hereinafter referred to as "Valley") gave Respondent a check for what was represented to Valley by Respondent to be an insurance policy issued by Canal Insurance Co. (hereinafter referred to as "Canal"). The check was in the amount of Five Hundred and Twenty-Five Dollars (\$525.00). Respondent did not forward Valley Transport's premiums onto Canal or any other insurance company. As a result, Valley's policy was cancelled but later reinstated upon proof of payment to Respondent.

8. On or about June 23, 2001, Roll-Aid Chemical and Industrial Supply Company (hereinafter referred to as "Roll-Aid") paid Respondent Two Thousand, Seven Hundred and Sixteen Dollars and ninety-cents (\$2,716.90) for commercial and auto policies. The commercial policy was through Burlington Insurance Company (hereinafter referred to as "Burlington"). The auto policy was through Northland Insurance Company (hereinafter referred to as "Northland").

9. Respondent did not forward the premiums onto Northland or Burlington or to any other insurance company. On or about September 19, 2001, Roll-Aid received notice from both Burlington and Northland that their policies were cancelled due to non-payment of premiums.

10. On or about September 25, 2001, the Department received a letter from Imperial Premium Finance, Inc. (hereinafter referred to as "Imperial") concerning Respondent. In the letter Imperial supplied a list of insureds that Imperial had provided premium financing to and money had

been remitted to the Respondent. Imperial stated in the letter the money they provided to Respondent had not been forwarded to the respective insurance companies. Imperial's letter stated Respondent owed Imperial a total of One Hundred Fifty-Two Thousand, Seven Hundred and Thirty-Eight Dollars and ninety-seven cents (\$152,738.97).

11. The following is a chart of the information provided by Imperial.

<u>Policyholder</u>	<u>Amount Paid</u>	<u>Date Paid</u>
Rockin K Trucking	\$6,047.00	1/22/01
William Sisson	\$1,483.00	1/26/01
Cumberland	\$7,747.00	2/9/01
Mt. Airy Transport	\$10,567.00	2/6/01
Cumberland	\$52,697.00	2/21/01
Simmons Trucking	\$3,423.00	6/4/01
Sammy Meyers Trucking	\$3,382.00	6/4/01

<u>Policyholder</u>	<u>Amount Due To Imperial</u>	<u>Cancellation Date</u>
Gary Hopper	\$1,951.00	11/29/00
Joni Sisson	\$6,599.00	11/1/00
Baker Freight	\$48,118.00	11/22/00
South Beach DSM, Inc	\$5,403.72	12/27/00

### CONCLUSIONS OF LAW

1. Tenn. Code Ann. § 56-6-112(a)(4) states, in pertinent part, that the commissioner may place on probation, suspend, revoke, or refuse to issue or renew any license under this part if she finds that one holding an insurance producer license has improperly withheld, misappropriated or converted any moneys or property received in the course of doing insurance business.

2. The State has met its burden of proof by a preponderance of the evidence that the Respondent misappropriated monies by accepting a check from Cumberland in the amount of Thirty-Five Thousand, One Hundred and Twelve Dollars and fifty-nine cents (\$35,112.59) for the payment of premiums on two (2) insurance policies and never forwarding the premiums onto an insurance

company.

3. The State has met its burden of proof by a preponderance of the evidence that the Respondent misappropriated monies belonging to Horner Insurance Services by failing to submit premiums due to Horner in the amount of Three Thousand, Eight Hundred and Ninety-Nine Dollars and Five Cents (\$3,899.05).

4. The State has met its burden of proof by a preponderance of the evidence that the Respondent misappropriated monies belonging to Valley Transport by accepting a check on or about May 18, 2001 in the amount of Five Hundred Twenty-Five Dollars (\$525.00) for the payment for premiums and never forwarding the money onto an insurance company.

5. The State has met its burden of proof by a preponderance of the evidence that the Respondent misappropriated monies belonging to Roll-Aid by accepting a check on or about June 23, 2001, in the amount of Two Thousand, Seven Hundred and Sixteen Dollars and ninety-cents (\$2716.90) in payment of premiums and never forwarding the money onto an insurance company.

6. The State has met its burden of proof by a preponderance of the evidence that the Respondent misappropriated monies belonging to Imperial Premium Finance by not forwarding money paid to Respondent on behalf of at least seven (7) different policyholders onto each policyholder's respective insurance companies. Respondent also failed to return paid premiums to Imperial of at least four (4) different policyholders when the policies were cancelled.

It is therefore **ORDERED** that license number 12956, issued to Lawrence Bartlett, be **REVOKED** and that the Respondent be ordered to pay One Thousand Dollars (\$1000) for each violation of Tenn. Code Ann. § 56-6-112(a)(4) for a total amount of Fifteen Thousand Dollars (\$15,000).

This Initial Order entered and effective this 29<sup>th</sup> day of JULY, 2005.



Anthony Adgent  
Administrative Judge

Filed in the Administrative Procedures Division, this 29<sup>th</sup> day of JULY, 2005.



Charles C. Sullivan, II, Director  
Administrative Procedures Division



## **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 Eighth Avenue N., Nashville, Tennessee, 37243. (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.