



STATE OF TENNESSEE
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

TENNESSEE INSURANCE DIVISION,)
Petitioner,)
v.)
SHEILA GAIL GROVES,)
Respondent.)

Docket No. 12.01-1908531
TID No. 18-032

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SECRETARY OF STATE

AGREED FINAL ORDER

The Tennessee Insurance Division ("TID") of the State of Tennessee Department of Commerce and Insurance, by and through counsel, and Sheila Groves, ("Respondent"), hereby stipulate and agree, subject to the approval of the Commissioner of the Tennessee Department of Commerce as follows:

GENERAL STIPULATIONS

1. It is expressly understood that this Agreed Final 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 Agreed Final Order is executed by Respondent for the purpose of avoiding further administrative action with respect to this cause, currently set for a hearing on December 13, 2019. Further, should this Agreed Final Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Final 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 Agreed Final Order will in no way preclude additional proceedings by the Commissioner for acts and/or omissions not specifically addressed in this Agreed Final Order, or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. Other than this proceeding brought by the Commissioner for violations of Title 56 of Tennessee Code Annotated addressed specifically in this Agreed Final Order, Respondent fully understands that this Agreed Final Order will in no way preclude proceedings by state or local officers, agencies, or civil or criminal law enforcement authorities against 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 arise as a result of the execution of this Agreed Final Order by Respondent.

5. Respondent expressly waives all further procedural steps, and expressly waives the right to seek judicial review of or to otherwise challenge or contest the validity of this Agreed Final Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of this Agreed Final Order.

6. This Agreed Final Order will become effective on the date it is filed with the Administrative Procedures Division of the Tennessee Secretary of State.

AUTHORITY AND JURISDICTION

7. The Commissioner has jurisdiction of this action pursuant to the Tennessee insurance law, Title 56 of Tennessee Code Annotated, specifically TENN. CODE ANN. §§ 56-1-202 and 56-6-112 ("Law"). The Law places on the Commissioner the responsibility of the administration of its provisions.

PARTIES

8. The TID is the lawful agent through which the Commissioner administers the Law and is authorized to bring this action for the protection of the public.

9. The Respondent is a resident of Tennessee and has Tennessee resident insurance producer license, number 0813285, with an expiration date of January 31, 2019.

STIPULATED FINDINGS OF FACTS

10. On June 25, 2018, a complaint was filed with the Department of Commerce and Insurance Financial Services Investigations Unit ("FSIU") by Elizabeth Rook ("Rook"), owner of Elizabeth Rook Insurance Agency.

11. In the complaint, Rook reported that she had confronted the Respondent on June 18, 2018, on suspicions that the Respondent had stolen customers' premium payments.

12. The Respondent admitted the misappropriation to Rook and was terminated. A further review by Rook showed that thirty-four (34) customers had been affected and over ten thousand dollars (\$10,000.00) in premium payments handled by the Respondent were unaccounted for.

13. In an interview with Investigator Amber Patterson, Rook stated that the Respondent had misappropriated and co-mingled over six thousand dollars (\$6,000.00) in 2014.

14. On July 12, 2019, the Respondent pled guilty to forgery and theft between ten thousand and sixty thousand dollars (\$10,000-\$60,000.00). The Respondent was sentenced to jail for one (1) year for the forgery and three (3) years for the theft. The sentences were suspended and transferred to supervised probation after the Respondent served thirty days in jail.

15. As a part of the plea agreement, the Respondent was ordered to pay restitution of twenty thousand, one hundred thirty dollars (\$20,130.00) to Rook and was ordered to pay at the

rate of three hundred dollars (\$300) per month after an initial payment of three thousand dollars (\$3,000,00). The Respondent's right to vote was revoked, as was her right to possess firearms.

APPLICABLE LAW

16. Respondent's actions as set forth above constitute violations of, TENN. CODE ANN. § 56-6-112 has provided, in pertinent part, as follows:

- (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;
 -
 - (6) Having been convicted of a felony[.]
 - ...

- (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.
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- (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 Tenn. Code Ann. §56-6-112(g) that:

1. Respondent's resident insurance producer license No. 0813285 is hereby permanently **REVOKED** as of the date of this executed Agreed Final Order. Respondent shall permanently refrain from submitting to the TID any future application for a license.

2 Respondent is **ASSESSED a CIVIL PENALTY** in the amount of five thousand dollars (\$5,000.00). Respondent shall pay this amount in full after completion of restitution as ordered by the Tipton County Criminal Court Order of July 19, 2019. Payment will be due the first day of the month following completion of restitution of twenty thousand one hundred thirty dollars (\$20,130.00).

3. All payments the Department shall be mailed to:

**State of Tennessee
Department of Commerce and Insurance
Legal Division, 12th Floor
Davy Crockett Tower
500 James Roberson Parkway
Nashville, Tennessee 37243**

4. Respondent shall pay the pending court costs of two hundred dollars (\$200.00) and shall pay this amount to the address above within thirty (30) days of the execution of this Agreed Final Order.

IT IS ORDERED that this Agreed Final 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 TENN. CODE ANN. §§56-6-103, 56-6-112, 56-8-103, and 56-8-104 alleged by TID to have occurred with respect to the transactions involving the facts contained herein.

This Agreed Final Order is in the public interest and in the best interests of the parties, 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 she has freely agreed to the entry of this Agreed Final Order, that she waives her right to a hearing on the matters contained herein, and that no threats or promises of any kind have been made to her by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Agreed Final Order, affirmatively state their agreement to be bound by the terms of this Agreed Final Order and aver that no promises of offers relating to the circumstances described herein, other than the terms of the settlement as set forth in this Agreed Final Order, are binding upon them.

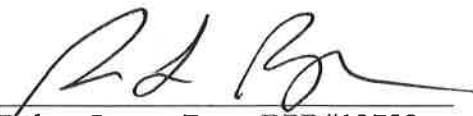
ENTERED this 9 day of Dec, 2019


Commissioner Hodgen Mainda
TN Department of Commerce and Insurance


APPROVED FOR ENTRY:


Sheila Groves, Respondent


Rachel Jade-Rice
Assistant Commissioner for Insurance
TN Department of Commerce and Insurance

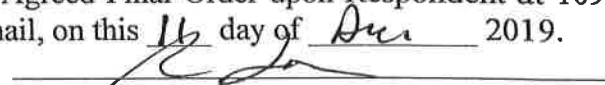

Robyn Lynne Ryan BPR#12782
Assistant General Counsel
500 James Robertson Parkway, 12th Floor
Nashville, TN 37243

Filed in the Administrative Procedures Division, Office of the Secretary of State, this the 10th
day of December, 2019.


Stephanie Shackelford, Director
Administrative Procedures Division

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of this Agreed Final Order upon Respondent at 109 Miller Road, Covington, TN 38019, by first class mail, on this 16 day of Dec 2019.



Robyn L. Ryan