0302270

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

IN THE MATTER OF:	)	
	)	**No.: 05-022**
BOBBY DONALD JAMES,	)	
Respondent.	)	

CONSENT ORDER

WHEREAS, Respondent, Bobby Donald James, hereby stipulates and agrees, subject to the approval of the Commissioner of Commerce and Insurance (hereinafter referred to as the "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 Commissioner.

2. This Consent Order is executed by the 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 this matter or any administrative proceedings.

3. 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 herein addressed. Respondent further understands that the acts or omissions addressed in this Consent Order may be used by the Commissioner in denying any

application for any insurance producer license which the Respondent may submit in the future.

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

FINDINGS OF FACT

5. The Tennessee Insurance Law, as amended, Tenn. Code Ann. § 56-1-101, *et seq.*, (hereinafter referred to as the "Law"), places the responsibility for the administration of the Law on the Commissioner. The Insurance Division of the Department of Commerce and Insurance (hereinafter referred to as the "Division") is the lawful agent through which the Commissioner discharges this responsibility.

6. The Respondent, Bobby Donald James (hereinafter referred to as the "Respondent"), is a citizen of Tennessee and a resident of Smithville, with his address being P.O. Box 210, Public Square Evins, Smithville, Tennessee 37166.

7. Respondent was issued a license to sell insurance in this state by the Division in 1965, license number 302270.

8. On or about August 16, 2005, Respondent admitted in a deposition for the United States Bankruptcy Court that he had prepared and presented numerous phony insurance premium finance agreements to a lender in order to obtain loans, and had forged signatures on insurance premium finance contracts.

9. Over a period of years between the mid 1990s and 2004, Respondent issued a number of promissory notes which were falsely and fraudulently represented by Respondent as being secured by insurance premium finance agreements, when such premium finance

agreements were phony. As a result of this conduct, many Tennessee citizens have lost thousands of dollars in investment money.

10. On or about December 27, 2006, Respondent was indicted in federal court on fifteen (15) counts of wire fraud.

CONCLUSIONS OF LAW

11. Tenn. Code Ann. § 56-6-112(a)(8) states, in pertinent part, that 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 if she finds that a licensee has used fraudulent, coercive, or dishonest practices or has demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

12. Tenn. Code Ann. § 56-6-112(a)(10) states, in pertinent part, that 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 if she finds that a licensee has forged another's name to any document related to an insurance transaction.

13. Based on the Findings of Fact, above, the Commissioner concludes that the actions of Respondent were in violation of Tenn. Code Ann. § 56-6-112(a), and provides grounds for the imposition of sanctions set forth under such section.

14. Respondent admits to the Findings of Fact cited above and concedes that the Conclusions of Law made by the Commissioner are fair and reasonable.

ORDER

NOW THEREFORE, on the basis of the foregoing, and the waiver of the Respondent of his rights to a hearing and appeal under Tennessee Insurance Law and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101, *et seq.*, and the admission by the

Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has consented to the entry of this Order and that the following Order is appropriate and in the public interest.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 56-6-112(a) of the Tennessee Insurance Law that:

The insurance producer license, numbered 302270, held by the Respondent, Bobby Donald James, is hereby **REVOKED.**

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 his signature affixed below, Bobby Donald James affirmatively states that he has freely agreed to the entry of this Consent Order, and that it has been advised that he may consult legal counsel in this matter, and has had the opportunity to consult with legal counsel should he had desired 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 20th day of June, 2007.

Leslie A. Newman

Leslie A. Newman, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

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Bobby Donald James
Respondent

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