0640053

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

TENNESSEE INSURANCE DIVISION, Petitioner,	)	
vs.	)	No.: 06-056
ROBERT C. SHELDON, Respondent.	)	

CONSENT ORDER

WHEREAS, the Respondent, Robert C. Sheldon, (hereinafter referred to as the "Respondent"), 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. The Commissioner has determined that the resolution set forth in this Consent Order is fair and reasonable, and in the best public interest.

3. 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 these proceedings.

4. 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 herein addressed. Furthermore, the Respondent fully understands that the facts outlined in this order may be used by the Commissioner in consideration of any future application for licensure filed by the Respondent.

5. The 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.

6. The Tennessee Insurance Law, Tenn. Code Ann. §§ 56-1-101, *et seq.*, as amended (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.

FINDINGS OF FACT

7. The Respondent is a licensed insurance producer agent in the State of Tennessee, license number 640053.

8. The Respondent has never been registered with the Department of Commerce and Insurance as a broker-dealer or agent in the State of Tennessee pursuant to the Tennessee Securities Act.

9. From March 1998 through March 2000, the Respondent was a sales agent for 21st Century Satellite Communications, Inc., (hereinafter referred to "21st Century") located in Florida.

10. During his employment with 21st Century, the Respondent sold promissory notes and purchase-leaseback agreements to Tennessee residents that were not registered with the State of Tennessee.

11. The Respondent sold a total of $96,000 worth of promissory notes and purchase-leaseback agreements, at least $6,000 being to Tennessee residents, and earned $2,475 in commission for the total sales.

CONCLUSIONS OF LAW

12. Tenn. Code Ann. § 48-2-102(16) defines a "security" as:

> [A]ny note, stock, treasury stock, bond, debenture, evidence of indebtedness, a life settlement contract, as defined in § 56-50-102, or any fractional or pooled interest in a life insurance policy or life settlement contract, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

13. Tenn. Code Ann. § 48-2-104 provides that it is unlawful for any person to offer and/or sell any security in this State unless it is registered pursuant to the Tennessee Securities Act.

14. Tenn. Code Ann. § 48-2-109(a) provides that it is unlawful for any person to transact business from or in this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent pursuant to the Tennessee Securities Act.

15. Tenn. Code Ann. § 56-6-112(a)(8) provides, the Commissioner may suspend or revoke a license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

16. The Commissioner hereby concludes that the Respondent has violated Tenn. Code Ann. § 56-6-112(a)(8).

17. The Respondent admits to the Findings of Fact, above, and further admits that such findings subject him to sanctions pursuant to Tenn. Code Ann. § 56-6-112(a). The Respondent 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, the Respondent hereby desires to enter into this Consent Order.

ORDER

NOW THEREFORE, on the basis of the foregoing, and the waiver of the Respondent, of their 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 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 of the Tennessee Insurance Law, that:

The insurance producer license held by the Respondent, Robert C. Sheldon, 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 the signature affixed below, the 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, and has had the opportunity to consult with legal counsel should he have 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 Insurance 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.

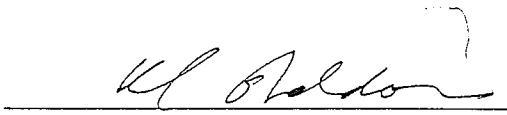
ENTERED this the 31st day of July, 2006.

Paula A. Flowers

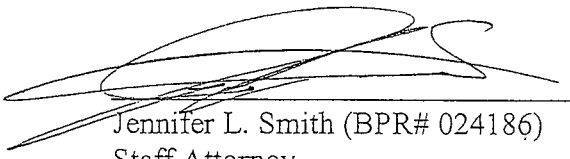
Paula A. Flowers, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

Larry C. Knight, Jr.
Assistant Commissioner for Insurance
Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, Tennessee 37243



Robert C. Sheldon



Jennifer L. Smith (BPR# 024186)
Staff Attorney
Department of Commerce and Insurance
Davy Crockett Tower, Twelfth Floor
500 James Robertson Parkway
Nashville, Tennessee 37243
(615) 741-2199