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

TENNESSEE INSURANCE DIVISION,	)	
Petitioner,	)	
	)	
vs.	)	**No.: 12.01- 076495J**
	)	
WILLIAM M. WORTHY II,	)	
Respondent.	)	

AGREED ORDER

The Tennessee Insurance Division (hereinafter referred to as the "Division") and William M. Worthy II (hereinafter referred to as the "Respondent") agree to the entry of this Agreed Order subject to the approval of the Commissioner of Commerce and Insurance (hereinafter referred to as the "Commissioner").

GENERAL STIPULATIONS

1. It is expressly understood that this Agreed Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Order.

2. This Agreed Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Agreed Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed 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 Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Agreed Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed, nor does it preclude additional proceedings against the Respondent based upon these facts or transactions herein addressed by any other government agency or law enforcement authority or preclude the Division's assistance to such agency or law enforcement authority. Respondent also understands that the facts contained in this Agreed Order may be used to deny any future application for licensure in which the Respondent may file with the Commissioner.

4. 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 Agreed Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Agreed Order by the Commissioner.

FINDINGS OF FACT

1. The Tennessee Insurance Law, as amended, Tennessee Code Annotated (hereinafter referred to as "Tenn. Code Ann."), Title 56 (hereinafter referred to as the "Law") places the responsibility for the administration of the Law on the Commissioner of Commerce and Insurance.

2. The Respondent, William M. Worthy, II (hereinafter referred to as "Respondent"), is a resident of Spartanburg and citizen of South Carolina, with his mailing address being 550 Palmetto Street, Spartanburg, South Carolina 29302. The Respondent, at all times relevant to the events herein, has been licensed by the Division to sell insurance in this

state as a non-resident insurance producer, having obtained said license, numbered 819385, in 1999.

3. On or around September 30, 2004, the South Carolina Department of Insurance ("hereinafter referred to as the "South Carolina Department") suspended the insurance agent license of the Respondent. The Respondent consented to the suspension.

4. On or around October 7, 2002, the Respondent, in his capacity as President of Employers Life Insurance Company, was required to pay an administrative penalty of Fifty Thousand Dollars ($50,000.00) for numerous violations of South Carolina law involving illegal financial transactions.

5. On or around May 1, 2003, the Respondent, in his capacity as President of Carolina Benefit Administrators, was required to pay an administrative penalty of Thirty-Five Thousand Dollars ($35,000.00) for violations of numerous South Carolina statutory provisions.

6. As basis for the September 30, 2004, Consent Order, the South Carolina Department found that Respondent altered loan documents with the intent to mislead the South Carolina Department, and that the Respondent had illegally pledged insurance company assets to secure loan(s) of Four Hundred and Fifty Thousand Dollars ($450,000.00).

7. On or around October 30, 2004, the Respondent completed the "State of Tennessee Non-Resident Insurance Producer Renewal Application" to maintain licensure as an insurance producer in the State of Tennessee. Among the questions that the application poses is Question Three, which reads, "Have you been refused a license as an insurance producer or has a license to act as such been denied, suspended, revoked, or surrendered for disciplinary reasons in any state since your last renewal?". The Respondent answered Question Three by checking the box labeled "no."

CONCLUSIONS OF LAW

8. Tenn. Code. Ann. § 56-6-112(a)(8) provides that the Commissioner may place on suspension, revoke, or refuse to renew any license under this part if she finds that one holding an insurance producer license uses fraudulent, coercive, or dishonest practices, or demonstrates incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this state or elsewhere.

9. Tenn. Code Ann. § 56-6-112(a)(9) provides 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 had the license denied, suspended or revoked in any other state, province, district, or territory.

10. Tenn. Code Ann. § 56-6-112(a)(1) provides 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 provides incorrect, misleading, incomplete, or materially untrue information in the license application.

11. Tenn. Code Ann. § 56-6-119(a) provides that 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.

12. Based upon the Findings of Fact cited above and the Conclusions of Law contained herein, the Commissioner considers the actions of the Respondent to be in violation of Tenn. Code Ann. §§ 56-6-112(a)(8), 56-6-112(a)(9), 56-6-112(a)(1) and 56-6-119(a) and to provide grounds for imposition of sanctions set forth Tenn. Code Ann. § 56-6-112(e).

13. The Respondent hereby admits to the Findings of Fact stated above. The

Respondent hereby also acknowledges the Commissioner's authority to administer said statutes and concedes that the Commissioner's interpretation of the statutes, as set forth in the Conclusions of Law, are reasonable and enforceable. Therefore, the Respondent, in order to avoid any further expenses or costs associated with litigating this matter, hereby desires to enter into this Agreed Order.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and the waiver by the Respondent of his rights to a hearing and appeal under the Tennessee Insurance Law, Tennessee's Uniform Administrative Procedures Act, 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 necessary for the protection of public interest.

IT IS ORDERED, pursuant to Tennessee Code Annotated § 56-6-112 that the Respondent's non-resident insurance producer license and all other licenses authorizing the Respondent to sell any type of insurance in the State of Tennessee are hereby revoked.

This Agreed 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 signatures affixed below, the Respondent affirmatively states that he has freely agreed to the entry of this Agreed Order, that he has been advised that he may consult legal counsel in this matter, has had the opportunity to consult with legal counsel and chose to do so, that he waives his right to a hearing on the matters underlying this Agreed 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 Agreed Order, affirmatively state their agreement to be bound by the terms of this Agreed Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Agreed Order, are binding upon them.

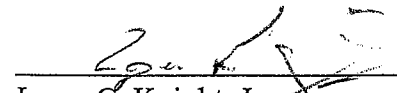
SO ORDERED.

Entered this the 12th day of January, 2006.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:



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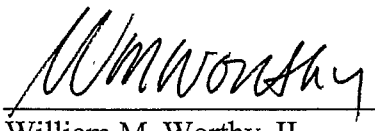
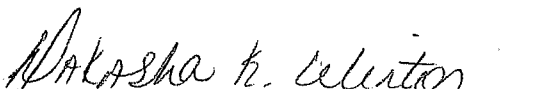


William M. Worthy, II
Respondent



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