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12-4-2012

Commerce and Insurance vs. KEITH ODENE DODD, Respondent

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

IN THE MATTER OF:

KEITH ODENE DODD
Respondent

DOCKET NO: 12.01-118372J

NOTICE OF DEFAULT AND INITIAL ORDER

This matter came to be heard on December 4, 2012, before Leonard Pogue, Administrative Law Judge, assigned by the Secretary of State, Administrative Procedures Division, sitting for the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”). Michael D. Driver, Assistant General Counsel, Department of Commerce and Insurance, Office of Legal Counsel, represented the State. The Respondent, Keith Odene Dodd, was not present at the hearing, nor did an attorney appear on his behalf.

The subject of this hearing was a Petition filed by the Tennessee Insurance Division against the Respondent to determine whether the Commissioner should take disciplinary action against the Respondent for alleged violations of TENN. CODE ANN. § 56-6-101, *et seq.* and/or any rule or regulation promulgated by the Commissioner.

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 property interest in his license should be revoked and Respondent should pay to the Commissioner of the Tennessee Department of Commerce and Insurance a civil penalty in the amount of twenty-three thousand dollars (\$23,000.00). This decision is based upon the following Findings of Fact and Conclusions of Law.

ORDER OF DEFAULT

The State moved that a default be entered against Respondent for failure to participate in the hearing after due notice. The State introduced proof that service, at Respondent's address of record, of the notice of hearing and T.C.A. § 4-5-320 notice were attempted, as well as delivery by mail of the notice of hearing and T.C.A. § 4-5-320 notice were made. Further, the State's attorney spoke with Respondent on the telephone on November 7, 2012 at which time Respondent acknowledged receiving notice of the December 4, 2012 hearing. Further, Respondent participated in a pre-hearing conference on December 3, 2012 and was aware of the December 4, 2012 hearing date. It appearing that proper notice was sent to Respondent and that Respondent knew of the hearing date, and that Respondent failed to appear at the hearing, the State's Motion for Default is well taken and is hereby **GRANTED** pursuant to TENN. CODE ANN. § 4-5-309(a). *See also* RULE 1360-4-1-.15(1) of the Uniform Rules of Procedure for Hearing Contested Cases before State Administrative Agencies, TENN. COMP. R. & REGS. Ch. 1360-4-1 (June 2004 (Revised)).

FINDINGS OF FACT

1. The Division is the lawful agent through which the Commissioner administers the Tennessee Insurance Law and is authorized to bring this action.
2. Respondent is a licensee of the Division, having been granted Insurance Producer license number 0690150. Respondent's address presently on file with the Division is 3185 Needmore Road, Beech Bluff, TN. 38313.
3. The Department was notified by Stonebridge Life Insurance Company that Respondent had submitted fraudulent applications with Stonebridge.

4. Richard Riddle, an insurance fraud investigator with the Department, began an investigation. On January 20, 2012, Respondent admitted to Mr. Riddle the facts set forth below as to Murrell, Deberry, Smith and Blocketts.

MELISSA MURRELL

5. On or about April 14, 2011, Respondent filed a fraudulent application for insurance to Stonebridge Life Insurance Company on behalf of Melissa Murrell.
6. Murrell had not requested or approved that application. Murrell had filed a previous policy application with Respondent but had not spoken to him at or around a year prior to the time of the application.
7. Respondent forged Murrell's signature in two (2) places on the April 14, 2011, Stonebridge application.
8. Respondent forged Murrell's signature on a pre-authorized withdrawal plan related to the April 14, 2011, Stonebridge application.
9. Respondent forged Murrell's signature on a HIPAA Authorization for Release of Health-Related Information related to the April 14, 2011, Stonebridge application.

OPAL LESSENBERRY

10. On or about May 18, 2011, Respondent filed a fraudulent application for life insurance with Stonebridge Life Insurance Company on behalf of Opal Lessenberry.
11. Lessenberry had not requested or approved that application. Lessenberry had not spoken to Respondent for over a year at the time of the application.
12. On or about June 3, 2011, Respondent impersonated Lessenberry in a phone conversation with Stonebridge in an attempt to verify Lessenberry's application for that policy.

NEELY DEBERRY

13. On or about April 13, 2011, Respondent faxed a life insurance policy application to Stonebridge on behalf of Neely Deberry.
14. DeBerry had not requested or approved that application.
15. Respondent forged DeBerry's signature in two (2) places on the April 13, 2011, Stonebridge application.
16. On or about April 28, 2011, Respondent impersonated DeBerry in a phone conversation with Stonebridge in an attempt to verify DeBerry's application for that policy.

SHAQUILLA SMITH

17. On or about March 9, 2011, Respondent faxed a life insurance policy application to Stonebridge on behalf of Shaquilla Smith.
18. Smith had not requested or approved that application. This application was initiated at the request of Sandra Luster, the named beneficiary under the March 9, 2011, application and the grandmother of Smith.
19. Respondent forged Smith's signature in two (2) places on the March 9, 2011, Stonebridge application.
20. On or about March 31, 2011, Respondent impersonated Smith in a phone conversation with Stonebridge in an attempt to verify Smith's application for that policy.

DERICK BLOCKETT

21. On or about September 16, 2010, Respondent faxed a life insurance policy application to Stonebridge on behalf of Derick Blockett.
22. Respondent forged Derick Blockett's signature in two (2) places on the September 16, 2010, Stonebridge application.

LARRY BLOCKETT

23. On or about April 2, 2011, Respondent faxed a life insurance policy application to Stonebridge on behalf of Larry Blockett.
24. Respondent forged Larry Blockett's signature in two (2) places on the April 2, 2011, Stonebridge application.

BARBARA BLOCKETT

25. On or about April 12, 2011, Respondent faxed a life insurance policy application to Stonebridge on behalf of Barbara Blockett.
26. Respondent forged Barbara Blockett's signature in two (2) places on the April 12, 2011, Stonebridge application.

MARVIN BLOCKETT

27. On or about April 12, 2011, Respondent faxed a life insurance policy application to Stonebridge on behalf of Marvin Blockett.
28. Respondent forged Marvin Blockett's signature in two (2) places on the April 12, 2011, Stonebridge application.

CONCLUSIONS OF LAW

1. TENN. CODE ANN. § 56-6-112(a) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew a license and/or may levy a civil penalty for any one or more of the following violations:

(2) Violating any law, rule, regulation, subpoena or order of the Commissioner or of another state's Commissioner.

(8) Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

(10) Forging another's name to an application for insurance or to any document related to an insurance transaction.

**COUNTS ONE THROUGH SEVEN
VIOLATIONS OF TENN. CODE ANN. § 56-6-112(a)(8)**

2. The State has proven by a preponderance of the evidence that Respondent used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in violation of TENN. CODE ANN. § 56-6-112(a)(8) (2008) by engaging in the following activities, as set forth in the foregoing "Findings of Fact," constituting seven (7) such violations. Each violation constitutes grounds for the Commissioner to place on probation, suspend, revoke or refuse to issue or renew Respondent's license and/or levy a civil penalty. Penalties are issued pursuant TENN. CODE ANN. § 56-2-305(a)(2) "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), unless the insurer, person, or entity knowingly violates a statute, rule or order, in which case the penalty shall not be more than twenty-five thousand dollars (\$25,000) for each violation, not to exceed an aggregate penalty of two hundred fifty thousand dollars (\$250,000)."

Count One. Submission of an application for insurance without Murrell's knowledge on or about April 14, 2011;

Count Two. Submission of an application for insurance without Lessenberry's knowledge on or about May 18, 2011;

Count Three. Impersonation of Lessenberry in a phone conversation with Stonebridge on or about June 3, 2011;

Count Four. Submission of an application for insurance without DeBerry's knowledge on or about April 13, 2011;

Count Five. Impersonation of DeBerry in a phone conversation with Stonebridge on or about April 28, 2011;

Count Six. Submission of an application for insurance without Smith's knowledge on or about March 9, 2011;

Count Seven. Impersonation of Smith in a phone conversation with Stonebridge on or about March 31, 2011;

**COUNTS EIGHT THROUGH SIXTEEN
VIOLATIONS OF TENN. CODE ANN. § 56-6-112(a)(10)**

3. Respondent forged another's name to an application for insurance or other document related to an insurance transaction in violation of TENN. CODE ANN. § 56-6-112(a)(10) by engaging in the following activities, as set forth in the foregoing "Findings of Fact," constituting sixteen (16) such violations. Each violation constitutes grounds for the Commissioner to place on probation, suspend, revoke or refuse to issue or renew Respondent's license and/or levy a civil penalty. Penalties are issued pursuant TENN. CODE ANN. § 56-2-305(a)(2) "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), unless the insurer, person, or entity knowingly violates a statute, rule or order, in which case the penalty shall not be more than twenty-five thousand dollars (\$25,000) for each violation, not to exceed an aggregate penalty of two hundred fifty thousand dollars (\$250,000)."

Count Eight. Forging Murrell's name on the Pre-Authorized Withdrawal Plan related to the April 14, 2011, Stonebridge application;

Count Nine. Forging Murrell's name on the HIPAA Authorization for Release of Health-Related Information related to the April 14, 2011, Stonebridge application;

Count Ten. Forging DeBerry's name in two (2) places on the April 13, 2011,

Stonebridge application. Each such forgery constitutes a separate violation;

Count Eleven. Forging Smith's name in two (2) places on the March 9, 2011,

Stonebridge application. Each such forgery constitutes a separate violation;

Count Twelve. Forging Derick Blockett's name in two (2) places on the September 16,

2010, Stonebridge application. Each such forgery constitutes a separate violation;

Count Thirteen. Forging Larry Blockett's name in two (2) places on the April 2, 2011,

Stonebridge application. Each such forgery constitutes a separate violation;

Count Fourteen. Forging Barbara Blockett's name in two (2) places on the April 12, 2011,

Stonebridge application. Each such forgery constitutes a separate violation;

Count Fifteen. Forging Marvin Blockett's name in two (2) places on the April 12, 2011,

Stonebridge application. Each such forgery constitutes a separate violation;

Count Sixteen. Forging Murrell's name in two (2) places on the April 14, 2011,

Stonebridge application. Each such forgery constitutes a separate violation;

JUDGMENT

WHEREFORE, it is hereby **ORDERED, ADJUDGED AND DECREED** as follows:

1. Respondent's insurance producer license number 0690150 is hereby **REVOKED**.
2. Respondent is hereby **ASSESSED** and shall pay a civil penalty in the amount of **\$23,000** for the twenty-three (23) violations found herein.

This Initial Order entered this 18 day of December, 2012

Thomas G. Stovall, Director
Administrative Procedures Division