

**BEFORE THE MISSISSIPPI DEPARTMENT OF INSURANCE
FOR THE STATE OF MISSISSIPPI**

**IN RE: LAQUESHIA PEMBLETON
 Insurance Producer License No. 10092984**

**PEMBLETON & ASSOCIATES FINANCIAL GROUP, LLC
Insurance Agency License No. 15030736**

FINAL ADMINISTRATIVE ORDER

THIS CAUSE came on for hearing on Wednesday, August 23, 2023, at 10:00 a.m. CST before the Commissioner of Insurance for the State of Mississippi, by and through his specially designated appointee, Christine Kelsey (hereinafter “Hearing Officer”), via teleconference hearing, pursuant to Notice of Hearing dated June 5, 2023. Having received notice of the hearing, the Respondent, Laqueshia Pembleton, individually and as representative for Pembleton & Associates Financial Group, LLC, appeared via telephone and participated in the hearing. Mark Lampton, Senior Attorney for the Mississippi Insurance Department, represented the Mississippi Insurance Department. The State called two witness and introduced several items of documentary evidence into the record, including the following documents:

- Notice of Hearing and Statement of Charges, dated June 5, 2023;
- Order of Continuance, dated July 19, 2023, resetting hearing on August 23, 2023;
- Exhibit S-1: Individual Respondent’s licensing record on the Sircon database
- Exhibit S-2: Entity Respondent’s licensing record on the Sircon database
- Exhibit S-3: Michael Tyrone Pembleton, Jr.’s licensing record on the Sircon database
- Exhibit S-4 (Composite): Documents provided by Unique Insurance Company
- Exhibit S-5: Mississippi Insurance Card (March 10, 2021)
- Exhibit S-6: Mississippi Insurance Card (January 19, 2023)

- Exhibit S-7A: Complaint filed with MID (January 23, 2023)
- Exhibit S-7B: Email Response to Complaint (January 27, 2023 and February 3, 2023)
- Exhibit S-8: Email from L. Pembleton dtd Feb. 3, 2023 and attachment dtd Jan. 25, 2023
- Exhibit S-9: Stewart Payment Records (redacted)
- Exhibit S-10: Certified Mail Delivery Tracking Results (for Notice of Hearing)

The Respondent provided testimony at the hearing, but called no witnesses other than herself. Respondent submitted no documentary evidence.

Based upon the documentary evidence and testimony, and upon the recommendation given by the Hearing Officer, the Commissioner makes the following Findings of Fact, Conclusions of Law, and Order:

I. AUTHORITY

The Mississippi Department of Insurance is a duly constituted authority existing within the executive branch of the government of the State of Mississippi “charged with the execution of all laws (except as otherwise specifically provided by statute) now in force, or which may hereafter be enacted, relative to all insurance and all insurance companies, corporations, associations, or orders.” *See Miss. Code § 83-1-1 (Rev. 2022)*. The Commissioner of Insurance is the chief officer of the Mississippi Department of Insurance. *See Miss. Code § 83-1-1 (Rev. 2022)*.

Pursuant to *Miss. Code. § 83-17-71(1) (Rev. 2022)*, the Commissioner of Insurance may place on probation, suspend, revoke or refuse to issue or renew an insurance producer’s license or may levy a civil penalty in an amount not to exceed One Thousand Dollars (\$1,000.00) per violation and such penalty shall be deposited into the special fund of the State Treasury designated as the “Insurance Department Fund” for any one or more of the following causes:

(b) Violating any insurance laws, or violating any regulation, subpoena or order of the commissioner or of another state's commissioner;

(d) Improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business;

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

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

(l) Knowingly accepting insurance business from an individual who is not licensed.

Pursuant to *Miss. Code § 83-17-55 (1) (Rev. 2022)* “[a] person shall not sell solicit or negotiate insurance in this state for any class or classes of insurance unless the person is licensed for that line of authority in accordance with this article.”

Pursuant to *Miss. Code § 83-17-71 (3) (Rev. 2022)*, “[t]he license of a business entity may be suspended, revoked or refused if the commissioner finds, after hearing, that an individual licensee’s violation was known or should have been known by one or more of the partners, officers or managers acting on behalf of the partnership or corporation and the violation was neither reported to the commissioner nor corrective action taken.”

Further, *Miss. Code § 83-17-71(4) (Supp. 2022)*, provides that in addition to or in lieu of any applicable denial, suspension or revocation of a license, a person may, after hearing, be subject to a civil fine not to exceed One Thousand Dollars (\$1,000.00) per violation.

II. NOTICE AND HEARING

On June 5, 2023, the Commissioner, through his attorney, issued a Notice of Hearing and Statement of Charges to the Respondent(s), setting the matter for hearing on July 19, 2023, at 10:00 a.m. The Notice of Hearing and Statement of Charges were received by the Respondent,

Laqueshia Pembleton, via certified mail delivery on June 6, 2023, constituting service upon both Laqueshia Pembleton and Pembleton & Associates Financial Group, LLC. On July 19, 2023, at 10:00 a.m., the Respondent did appear and participate telephonically, and requested a continuance for the purpose of providing her additional time to retain an attorney. The Respondent's request for continuance was granted, and the hearing was continued until August 23, 2023, at 10:00 a.m.

On August 23, 2023, at 10:00 a.m., the Respondent attended the hearing telephonically and acknowledged that she understood that she had a right to an attorney, and expressed that she was prepared and wished to go forward without an attorney representing her.

III. FINDINGS OF FACT

AFTER CONSIDERING all of the evidence presented, using the standard of proof of "clear and convincing evidence", the Insurance Commissioner makes the following Findings of Fact:

(1) The Respondent, Laqueshia Pembleton, is an adult resident citizen of the State of Mississippi, who holds an active Insurance Producer's license # 10092984, issued by the Mississippi Department of Insurance. Respondent is also on record as the Designated Responsible Agent for Pembleton & Associates Financial Group, LLC. (*See Exhibit S-1*)

(2) The Respondent, Pembleton & Associates Financial Group, LLC, is a limited liability company incorporated within the State of Mississippi that holds an active Insurance Agency license # 15030736, issued by the Mississippi Department of Insurance. (*See Exhibit S-2*).

(3) The Commissioner of Insurance has jurisdiction over the subject matter of these proceedings as well as the Respondents since the Respondents are both licensed by the Department of Insurance.

(4) Michael Tyrone Pembleton, Jr. was the husband of Laqueshia Pembleton at the time of the events at issue in the alleged charges, however, they have since become divorced.

(Testimony of Laqueshia Pembleton). Michael Tyrone Pembleton, Jr. has no active license with the Mississippi Department of Insurance, and is not authorized to solicit or negotiate insurance sales within the State of Mississippi. *(See Exhibit S-3; Testimony of Laqueshia Pembleton)*.

(5) On or about March 10, 2021, Michael Tyrone Pembleton, Jr. solicited a policy of insurance to prospective client, Felicitia Stewart (hereafter sometimes referred to as “Stewart”). After negotiating the sale of such insurance, Michael Tyrone Pembleton, Jr. accepted an application for an auto policy of insurance from Stewart, which was submitted to Unique Insurance Company using the agent and agency licenses of Respondents Laqueshia Pembleton and Pembleton & Associates Financial Group, LLC. Stewart had no direct dealings with Licensed Agent Laqueshia Pembleton during the transaction. *(See the application for auto policy dated March 10, 2021 admitted as part of Composite Exhibit S-4; Exhibit S-5; Testimony of Felicitia Stewart)*.

(6) Upon Stewart’s purchase of the auto policy of insurance from Unique Insurance Company on March 10, 2021, Stewart had an established payment plan that included monthly payments made by Stewart in the amount of \$225.77 to Pembleton & Associates Financial Group, LLC for forwarding to Unique Insurance Company. Stewart made timely payments of the required premium payments each and every month for a period beginning in March 2021 through December 2022. All payments made were submitted to and accepted by Michael Tyrone Pembleton, Jr. Despite Stewarts’ payment of premiums to Respondents, only the first five (5) months of premiums were forwarded by Respondents to Unique Insurance Company. Stewart’s policy was in force for a period beginning March 10, 2021, through a point in the month of August 2021, when the policy was cancelled by Unique Insurance Company due to non-payment

of premium. *(See Composite Exhibit S-4; Testimony of Felicitia Stewart; Testimony of John Hornback)*. Laqueshia Pembleton testified that the premium payments made were deposited into her Paypal “sweep” account that was no longer in use, resulting in an accidental failure to forward the premiums to Unique Insurance. *(Testimony of Laqueshia Pembleton)*.

(7) A Notice of Cancellation was issued by Unique Insurance Company by instrument dated July 10, 2021, reflecting a cancellation date of August 9, 2021, however, Stewart did not actually receive the notification and was not aware that her insurance coverage had been cancelled at that time. *(Testimony of Felicitia Stewart)* Without notice of the cancellation, Ms. Stewart continued to make monthly premium payments of \$225.77 to Pembleton & Associates Financial Group, LLC until January 2023, when she was personally notified of the policy cancellation by the insurance carrier, Unique Insurance Company. Ms. Stewart unknowingly went eighteen months without coverage and paid a total of \$4,063.86 in premiums to Pembleton & Associates Financial Group, LLC that were not forwarded to Unique Insurance Company, and which funds were retained by the Respondents that improperly withheld and misappropriated said monies. *(See Composite Exhibit S-4; Stewart payment records attached as Exhibit S-9; Testimony of Felicitia Stewart)*. Laqueshia Pembleton testified that her office did receive notice of the cancellation, however, she did not contact Stewart to address the cancellation. *(Testimony of Laqueshia Pembleton)*

(8) On or about January 19, 2023, Stewart contacted Unique Insurance Company to inquire into her failure to receive her proof of insurance coverage cards reflecting the insurance status of her automobile. Unique Insurance Company then advised Stewart that her policy had been cancelled due to non-payment of premiums effective in August, 2021. Stewart then contacted Michael Tyrone Pembleton, Jr., who had been accepting her monthly payments on behalf of Pembleton & Associates Financial Group, LLC. Michael Tyrone Pembleton, Jr.

advised Stewart that she was misinformed and that her insurance policy was in fact still in effect. Subsequent to that conversation, on January 19, 2023, a new application for an Automobile Policy was submitted to Unique Insurance Company on Stewart's behalf using the Respondents' Producer and Agency identities, and also purporting to include Stewart's signature in at least three (3) different locations on the application. In fact, Stewart was unaware that a new application for auto insurance was being submitted for her on January 19, 2023, and the signatures purporting to be Stewart's were forgeries. *(See Application for Insurance dated January 19, 2023, attached as part of Composite Exhibit S-4; Testimony of Felicitia Stewart)* Michael Tyrone Pembleton, Jr. forwarded to Stewart evidence of insurance from Unique Insurance Company reflecting an auto policy in effect with an effective date beginning January 19, 2023, and ending January 19, 2024. *(See Mississippi Insurance Card attached as Exhibit S-6)*. Although Pembleton & Associates Financial Group LLC forwarded an E-check to Unique Insurance Company to cover the full year's premium for Stewart's January 19, 2023 policy, the E-check was returned as "non-sufficient funds", and the policy at issue was cancelled for non-payment of premiums. *(See Composite Exhibit S-4; Testimony of John Hornback)* Laqueshia Pembleton testified that she personally handled the completion and submission of the January 19, 2023 application, and also asserted that the e-signature for Felicitia Stewart must have been made by Stewart. *(Testimony of Laqueshia Pembleton)* Laqueshia Pembleton's testimony regarding the alleged forged signature was not credible.

(9) Felicitia Stewart filed a complaint with the Mississippi Department of Insurance on or about January 23, 2023. *(See Exhibit S-7A; Testimony of Felicitia Stewart; Testimony of John Hornback)*

(10) Following the initiation of an investigation by the Mississippi Department of Insurance, Respondent, Laqueshia Pembleton, contacted Stewart in an effort to resolve the

complaint. Stewart requested that she be provided something in writing with regard to the reimbursement, which prompted Respondent to prepare a document purporting to set forth their agreement, a copy of which was submitted to the record as part of Exhibit S-8. The document does appear to condition reimbursement of the misappropriated premiums on the condition that she withdraw the complaint she filed with the Mississippi Department of Insurance. *(See Exhibit S-8; Testimony of Felicitia Stewart; Testimony of Laqueshia Pembleton)* Stewart refused to sign the agreement due to her disagreement with the amount asserted due, as well as her inability to withdraw the complaint. *(Testimony of Felicitia Stewart)* Despite not having a signed agreement, Respondent did reimburse Felicitia Stewart the sum of \$3,000, which amounts to a portion of the misappropriated funds. *(Testimony of Felicitia Stewart; Testimony of Laqueshia Pembleton)* After credit of the \$3,000 reimbursement, another approximately \$1,063.86 in payments made by Stewart and misappropriated by Respondents remains outstanding. *(Testimony of Felicitia Stewart; Testimony of Laqueshia Pembleton)*

(11) The Respondents, Laqueshia Pembleton and Pembleton & Associates Financial Group, LLC, knew or should have known about the illegal conduct of Michael Tyrone Pembleton, Jr. in selling, soliciting, and negotiating a contract of insurance for Felicitia Stewart, but failed to report such misconduct to the Commissioner of Insurance. Laqueshia Pembleton testified that she was in fact the one performing all actions required from an insurance agent and that Michael Tyrone Pembleton was merely acting as a customer service representative and assisting her with marketing of her business, however, such testimony was not credible in light of the conflicting testimony and evidence. *(Testimony of Laqueshia Pembleton)* The evidence clearly shows that Michael Tyrone Pembleton, while not having an appropriate license, was acting as an insurance agent, soliciting and negotiating insurance directly with Felicitia Stewart, who reasonably believed that Michael Tyrone Pembleton, Jr. was an insurance agent.

(*Testimony of Felicitia Stewart*) Notably, it is unlikely that Michael Tyron Pembleton, Jr. will continue to utilize Respondent's license improperly now that they are divorced.

IV. CONCLUSIONS OF LAW

IN LIGHT OF THE AFOREMENTIONED Findings of Fact, the Commissioner makes the following conclusions of law:

1) Charge 1 of the Statement of Charges is substantiated by the evidence. The evidence establishes that Respondents, Laqueshia Pembleton and Pembleton & Associates Financial Group, LLC, unlawfully and improperly allowed and enabled Michael Tyrone Pembleton, Jr., a person without authority or license, to solicit and negotiate a policy of insurance for Felicitia Stewart in the State of Mississippi, in violation of *Miss. Code § 83-17-55 (1) and Miss. Code § 83-17-71(1)(b)*.

2) Charge 2 of the Statement of Charges is substantiated by the evidence. The evidence establishes that Pembleton & Associates Financial Group, LLC and Laqueshia Pembleton, individually and as designated representative, violated the provisions of *Miss. Code § 83-17-71(1)(d)* by improperly withholding, misappropriating or converting monies received from Felicitia Stewart in the course of doing insurance business.

3) Charge 3 of the Statement of Charges should be and hereby is dismissed. Although Laqueshia Pembleton clearly and in writing conditioned the repayment of misappropriated premiums to Ms. Stewart upon withdrawal of the complaint she filed with the Mississippi Department of Insurance, it is not entirely clear what Respondent's motivation was when this language was included in the proposed agreement. According to the Respondent's testimony, the agreement was drafted by the Respondent herself, who lacked a clear understanding of the process by which complaints filed with the Mississippi Department of Insurance are handled.

(*Testimony of Laqueshia Pembleton*) Ultimately, when Stewart refused to sign the agreement or

drop her complaint, Respondent proceeded to reimburse a significant portion of the misappropriated money anyway. Consequently, there is insufficient evidence to conclude that Respondent was attempting to “coerce” Stewart into dropping her complaint in violation of *Miss. Code § 83-17-71(1)(h)*.

4) Charge 4 of the Statement of Charges is substantiated by the evidence. The evidence shows that on or about January 19, 2023, Pembleton & Associates Financial Group, LLC and Laqueshia Pembleton, individually and as designated responsible agent, submitted an application of insurance with Unique Insurance Company that contained forged signatures for the alleged applicant, Felicitia Stewart, in violation of *Miss. Code § 83-17-71(1)(j)*.

V. ORDER

IT IS, THEREFORE, ORDERED that that the Insurance Producer License granted to the Respondent, Laqueshia Pembleton, under privilege license number 10092984, to act as an insurance producer in the State of Mississippi, is hereby REVOKED. Additionally, the Respondent is hereby assessed an administrative fine in the amount of Three Thousand Dollars (\$3,000.00), which shall be due and payable to the Mississippi Insurance Department effective immediately.

HOWEVER, the aforesaid REVOCATION of the Respondent’s insurance producer license is hereby SUSPENDED AND HELD IN ABEYANCE, subject to the Respondent’s compliance with the following conditions:

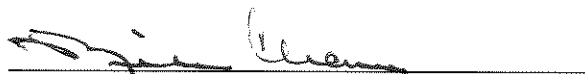
- 1) Respondent shall reimburse to Felicitia Stewart the sum of \$1,063.86, being the remaining amount of misappropriated premiums, and provide to the Mississippi Department of Insurance evidence of her payment, to be completed within thirty (30) days of the date of this Order.

- 2) Respondent shall pay to the Mississippi Department of Insurance the full amount of \$3,000 as herein assessed as an administrative fine, to be paid within ninety (90) days of the date of this Order,
- 3) Respondent shall commit no further violations of the insurance laws of the State of Mississippi.

Should the Respondent fail to comply with the requirements for repayment of the misappropriated premium and the administrative fine within the time specified, then the Revocation of Respondent's license shall then be entered and take effective immediately without the need for further hearing in this matter.

It is noted that should the Respondent wish to appeal the Order of the Commissioner, she may follow the procedure set forth in § 83-17-83 of the *Mississippi Code of 1972, as Amended*.

SO ORDERED, this the 30th day of August, 2023.


MIKE CHANEY
COMMISSIONER OF INSURANCE
STATE OF MISSISSIPPI

Recommended by:


CHRISTINA KELSEY
HEARING OFFICER