



**THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301

Christopher R. Nicolopoulos
Commissioner

David J. Bettencourt
Deputy Commissioner

**State of New Hampshire
Insurance Department**

**In re: Androit Health Group, Stephen Vaughn Jones and
Scott Holt**

Docket No.: 21-030-EP

FINAL DECISION and ORDER

Pursuant to the provisions of Ins 207.04, the Proposed Decision and Order issued on December 3, 2021, by Hearing Officer Steven M. Notinger is hereby ACCEPTED as a FINAL DECISION and ORDER, with the following MODIFICATIONS:

1. In the Summary (Section 1) in the second sentence of that section in the phrase that states "(2) violated NH RSA 402-J 12 (c) by obtaining a license through fraud" is not adopted and shall be replaced with "(2) violated NH RSA 402-J:12, I(c) by obtaining a license through fraud".
2. In the fourth sentence of Procedural and Jurisdictional Background (Section 2) the reference to "541-A: 33" is modified to reflect, as follows, "NH RSA 541-A:31".
3. The list of exhibits admitted in evidence at the hearing, within the third paragraph of Section 2, contains typographical errors, as not all the

Department's proposed exhibits were admitted during the evidentiary hearing. As a result, the list of those exhibits is modified to reflect as follows:

Ex no.

3. Licensee Demographics
4. Colorado Consent Order
- 5-7. License Applications from the NIPR
11. Maryland Consent Order
13. April 14, 2021 & April 30, 2021 NHID emails to Adroit
14. May 11, 2021 email and letter from NHID to Adroit
15. Amended Order to Show Cause, 11/4/2021
16. Service Information

4. In the Findings of Fact (Section 4) within the third paragraph the reference to "Exhibits 5-10" is not adopted and is replaced with "Exhibits 5-7".

In addition, within the fourth paragraph of Section 4 the reference at the end of that section to "Exhibits 12, 13 and 14" is not adopted and is replaced with "Exhibits 13 and 14".

5. In the Analysis section (Section 6) the second sentence that starts with "It is also undisputed. . ." includes a reference to an exhibit that was not admitted. As a result, that sentence is replaced with this sentence: "It is also undisputed that when Jones filed for renewal (for himself) in New Hampshire on May 18, 2020 (Exhibit 7) he knew he was a party to license revocation proceedings in Maryland."

6. After the third sentence in Section 6 the reference to "Exhibit 10 (bates stamp page 068)" is not adopted as that exhibit was not admitted. That reference is replaced with this reference: "Exhibit 7 (bates stamp page 059)". Likewise, in paragraph two of Section 6 the reference "See Exhibit 4 and 10 (bates stamp page

paragraph two of Section 6 the reference “See Exhibit 4 and 10 (bates stamp page 068, question 2)” is not adopted and is replaced with “See Exhibit 4 and Exhibit 7 (bates stamp page 059, question 2)”.


7. In Section 6, paragraph four, the three references to “NH RSA 402-J: I” are replaced with “NH RSA 402-J:12, I” to correct typographical errors in those references.

8. In the Damages and Penalties section of the Proposed Order, the reference listed in number 1 as “NH RSA 402-J: I (a)(c) and (i)” is modified to correct a typographical error such that the reference is replaced with this modification: “NH RSA 402-J:12, I (a) (c) and (i)”.

This is the final action of the Department. You have the right to appeal by requesting reconsideration of this final action within 30 days in accordance with RSA 541.

SO ORDERED.

2-7-2022
Date


Christopher Nicolopoulos, Commissioner



**The State of New Hampshire
Insurance Department**

21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271-2261 Fax (603) 271-1406
TDD Access: Relay NH 1-800-735-2964

Christopher R. Nicolopoulos
Commissioner

David J. Bettencourt
Deputy Commissioner

December 3, 2021

Christopher R. Nicolopoulos, Esq.
Commissioner
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301

Re: In re Adroit Health Group, Stephen Vaughn Jones and Richard Scott Holt
Docket No.: 21-030-EP

Dear Commissioner Nicolopoulos

Please find enclosed my Proposed Decision and Order in the above referenced matter in accordance with Ins 204.26 (a) (1).

Sincerely,


Steven M. Notinger, Esq.

Enclosure

Copy to: Joshua Hilliard, Esq.
Stephen Vaughn Jones
Adroit Health Group
Richard Scott Holt
Jeffrey Jeter, Esq.

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In re: Adroit Health Group, Stephen Vaughn Jones and Richard Scott Holt

Docket No. 21-030-EP

**PROPOSED DECISION AND ORDER REVOKING THE PRODUCER'S
LICENSE OF STEPHEN VAUGHN JONES AND FOR SANCTIONS
AGAINST STEPHEN VAUGHN JONES**

Appearance for Petitioner:

Joshua Hilliard, Esq.

Enforcement Counsel NH Insurance Department (the "NHID")

Appearance for Respondent:

No appearance.

Administrative Hearings Judge.

Steven M. Notinger, Esq.

1. Summary

This is a proceeding to revoke the license of Stephen Vaughn Jones ("Jones") to conduct business as an insurance agent in New Hampshire pursuant to an Amended Order to Show Cause. The New Hampshire Insurance Department ("NHID") argues Jones: (1) violated NH RSA 402-J 12 I (a) by failing to provide truthful information that he had been sanctioned and/or had his license revoked in at least two other jurisdictions; (2) violated NH RSA 402-J 12 (c) by obtaining a license through fraud, and (3) that Jones' license should be

revoked in New Hampshire because it was revoked in another jurisdiction pursuant to 402-J 12 I (i). The NHID also requests a fine against Jones under NH RSA 400-A: 15, 16 for failure to respond to several requests for documents. The fine requested is \$1,000.00. For the reasons stated below Jones' license is revoked in New Hampshire and he is fined \$1,000.00.

2. Procedural and Jurisdictional Background.

The NHID originally brought this action against Jones and Adroit (the "Complaint"). At the time Jones was the designated responsible licensed producer ("DRLP") of Adroit. He is no longer the DRLP. Richard Scott Holt ("Holt") is presently the DRLP for Adroit. The NHID has jurisdiction to pursue the Complaint pursuant to NH RSA 400-A: 16 and NH RSA 402-J, 541-A: 33 and Ins. 200 et seq. Prior to the November 30, 2021, Adroit and Holt and NHID moved to continue the hearing as to them only. This motion was granted. The case continued as scheduled against Jones on November 30, 2021. Jones did not appear. Since the NHID has the burden of proof, it went forth with presentation of its case. Ins. 206.03(b) (2). The NHID may revoke or suspend Jones' license in New Hampshire, and impose penalties for failure to cooperate, should there be a basis to do so. NH RSA 402-J: 12, 400-A 15, 16.

An evidentiary hearing was held on November 30, 2021. The NHID appeared with two witnesses. Jones did not appear. Jones was given adequate notice of the hearing at the address he provided in his license application by both certified and regular mail and by e-mail. See Exhibits 15 and 16.

The following exhibits were admitted into evidence at the hearing:

Ex no.

3. Licensee Demographics
4. Colorado Consent Order
- 5-10. License Applications from the NIPR
11. Maryland Consent Order
12. April 14, 2021 e mail from NHID to Adroit Health Group
13. April 30, 2021 e mail from NHID to Adroit Health Group
14. May 11, 2021 e mail and letter from NHID to Adroit Health Group
15. Amended Order to Show Cause
16. Service Information

During the hearing, Respondent presented the testimony of the following witnesses:

Sarah Prescott, Enforcement Paralegal for the NHID
Joan Lacourse, Licensing for the NHID

3. Standard of Review.

The NHID has the burden of proof on all issues in this matter by a preponderance of the evidence. Ins. 206.05.

4. Findings of Fact.

Jones is a licensed insurance broker who holds or held licenses in at least three states, including New Hampshire. At all relevant times in this Order, Jones was the DRLP of Adroit. The evidence presented in these proceedings includes a consent order from the Colorado Division of Insurance dated August 7, 2014 against entities in which Jones was the CEO and co-owner¹ including Home HealthCare and Eagle Health Advisors (the “Colorado Consent Order.”) Exhibit

4. The entities were fined \$500,000.00 for misrepresentation, unfair competition,

¹ Jones is not mentioned in the Colorado order, but his role in the Colorado defendants is contained in the Maryland Order, which was a consent order whereby Jones agreed to the contents of the order. So he has admitted to his role in the Colorado proceeding. See Exhibit 11, page 2 (bates stamp 82)

deceptive trade practices and for failing to report other state actions. See Exhibit 4. Jones was not named as a party in the Colorado action. The entities that Jones co-owned in the Colorado action, consented to all the charges against them and agreed to have their licenses put on probation for 5 years. Exhibit 4, page 6 (bates stamp 029),

On May 11, 2016 Jones filed a renewal application for his New Hampshire license. Question 2 of the NIPR states:

Have you been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration, which has not been previously reported to this insurance department? "Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, placed on probation, sanctioned or surrendering a license to resolve an administrative action. **"Involved" also means being named as a party to an administrative or arbitration proceeding**, which is related to a professional or occupational license, or registration. "Involved" also means having a license, or registration, application denied or the act of withdrawing an application to avoid a denial. **INCLUDE any business so named because of your actions in your capacity as an owner, partner, officer or director, or member or manager of a Limited Liability Company**. You may exclude terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee. If you answer yes, you must attach to this application: a) a written statement identifying the type of license and explaining the circumstances of each incident, b) a copy of the Notice of Hearing or other document that states the charges and allegations, and c) a copy of the official document which demonstrates the resolution of the charges or any final judgment. (Emphasis added).

Answer:

No.

See Exhibit 5. The Colorado Consent Order and any of the other state actions referred to in Exhibit 4 (bates stamp page 28) were not disclosed on the NH application.

Renewal applications were submitted by Jones on May 7, 2018 and May 18, 2020 to the State of New Hampshire. Adroit also submitted renewal applications. The answer to question 2, was "no" in each instance. See Exhibits 5-10. On August 13, 2020, Jones and Adroit entered into a consent order in Maryland based upon a November 26, 2019 order to revoke Jones' license and

impose a monetary penalty and restitution. (The “Maryland Consent Order”). In the proceedings, Jones and Adroit admitted in the Maryland Consent Order to misrepresentations, overcharging customers, not charging customers the rate approved by the insurance department, and other fraudulent activity. Jones’ license was revoked and he was ordered to pay substantial fines. In addition, the Maryland Consent Order stated that the proceeding was a “reportable administrative proceeding... and that it may be required to be disclosed on any license application.” Exhibit 11, page 3 of Consent Order (Bates stamp 074).

After these issues came to the attention of the NHID, the NHID requested further information in emails/letters dated April 14, 2021, April 30, 2021 and May 11, 2021 Exhibits 12, 13 and 14 and received no response.

5. The NHID’s Claims.

The NHID raises 4 claims:

1. Violation of NH RSA §402-J: 12 I (a)—providing incorrect, misleading, incomplete or materially untrue information in the license application;
2. Violation of NH RSA §402-J: 12 I (c) —Obtaining or attempting to obtain a license through misrepresentation or fraud;
3. Violation of NH RSA 402-J:12 I (i) — having an insurance producer license, or its equivalent, denied, suspended, or revoked by another state; and
4. Violation of 400-A: 15, 16—failure to respond to requests for information requested by the Commissioner. The NHID seeks revocation of license and \$1,000 in fines for failure to respond to information requests.

6. Analysis

Undisputed Facts

It is undisputed that Jones omitted on his May 18, 2020 renewal application and Adroit's April 3, 2020 application, that he and Adroit were parties to a license revocation proceeding in Maryland, which commenced November 26, 2019. See Exhibit 11, bates stamp 072. It is also undisputed that when Jones filed for renewal (for himself and Adroit) in New Hampshire on May 18, 2020 and April 3, 2020 (Exhibits 7 and 10) he knew he was a party to license revocation proceedings in Maryland. He also knew or should have known that question 2 on the producer application requires you to list, at a minimum, revocation proceedings that involve yourself or your entities. See e.g. Exhibit 10 (bates stamp page 068) (“Involved” also means being named as a party to an administrative or arbitration proceeding...’ In other words there does not have to be a judgment, just a pending proceeding, for you to have a disclosure obligation on your license application.)

Jones also knew, from August 27, 2014 forward, that his companies Eagle Health Advisors and Homeland Health Care were on probation in Colorado and had to pay \$500,000.00 in fines for misrepresentation, unfair competition, deceptive trade practices and for failing to report other state actions. See Exhibit 4 and Exhibit 10 (bates stamp page 068, question 2) (“INCLUDE any business so named because of your actions in your capacity as an owner, partner, officer or director, or member or manager of a Limited Liability Company.”) None of these

actions were brought to the attention of New Hampshire authorities at any time and particularly as required disclosures under license renewal protocols.

Jones could argue with regard to the Colorado proceeding that he personally was not a party to the proceedings and therefore did not have to disclose the Colorado action on his New Hampshire license applications. This argument, on balance, fails. The form says “INCLUDE any business so named because of your actions in your capacity as an owner, partner, officer or director, or member or manager of a Limited Liability Company.” As stated above, Jones agreed in the Maryland Consent Order that he was the CEO and co-owner of the entity defendants in the Colorado Consent Order. Therefore, he had an obligation as of at least August 27, 2014, to report to New Hampshire that his companies agreed to a 5 year probation period and a \$500,000.00 fine in Colorado. Jones agreed in the Maryland Consent Order that the conduct in Maryland should be reported to other states. See Exhibit 11, bates stamp 074.

The charges that were brought against Jones and/or his controlled entities in Colorado and Maryland are very serious. Jones consented to the orders. See Exhibits 4 and 11. The entities in Colorado were fined \$500,000.00 for misrepresentation, unfair competition, deceptive trade practices and for failing to report other state actions. See Exhibit 4. In Maryland the conduct included selling policies at 1900% more than allowed premiums and selling unapproved policies, misrepresentations, and deceiving consumers. See Exhibits 4 and 11. The violations involve misrepresentations and fraud and go to the core of issues a state would want to know before giving an individual a license in an area of trust, like

an insurance agent. Further, the misconduct goes to the core of being a producer, it is not tangential to business activities of the licensee like an omitted DUI offense. The evidence is overwhelming and is not only uncontested because Jones did not appear, but both the Colorado and Maryland Consent Orders were agreed to by Jones. See Exhibits 4 and 11. It is undisputed Jones provided “materially untrue information”, within the meaning and intention of NH RSA 402-J: I (a) and that he obtained his license through “misrepresentation” within the meaning and intention of 402-J: I (c). It is also appropriate to apply reciprocity to the Maryland license revocation in these New Hampshire proceedings under 402-J: I (i) due to the seriousness of the conduct and the fact that the improper disclosure pertains to the core of a producer’s responsibility. Therefore, the only proper remedy in this case is to **REVOKE** Jones’ license in New Hampshire.

Further, Jones did not respond to the requests for information from the NHID after three separate requests. The failure to comply with document requests is feckless if parties do not suffer consequences for failing to respond. A penalty is awarded in the amount of **\$1,000.00**

Damages and Penalties.

The Penalties are as follows:

1. Pursuant to NH RSA 402-J: I (a) (c) and (i), Jones’ license is **REVOKED**. He shall cease and desist from selling insurance in the State of New Hampshire directly, indirectly or through any entity. If Jones wants to reinstate his license he must petition the NHID, provide the information previously

requested of him, pay the fine and other costs, and explain to the satisfaction of the Commissioner why he believes he is entitled to a license in New Hampshire.

2. Pursuant to NH RSA 400-A: 15, 16 — the Commissioner assesses a **1,000 fine**;

Nothing in this order shall limit any proceedings against Adroit and Holt who, along with the Commissioner, are unaffected by this Order. A hearing on the merits regarding the Order to Show Cause against Adroit and Holt is scheduled for December 30, 2021 at 1:00 p.m. at NHID's offices, 21 S. Fruit Street, Suite 14, Concord, New Hampshire 03301. The revocation of Jones' license is a reportable proceeding.


Steven M. Notinger, Administrative
Hearings Judge, NHID