



**COMMONWEALTH OF MASSACHUSETTS**  
**Office of Consumer Affairs and Business Regulation**  
**DIVISION OF INSURANCE**

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**Division of Insurance, Petitioner**  
**v.**  
**Gahan Sharei Adams, Respondent**  
**Docket No. E2019-13**

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**Order on Petitioner's Motion for Summary Decision**

On May 3, 2019, the Division of Insurance (“Division”) filed an Order to Show Cause (“OTSC”) against Gahan Sharei Adams (“Adams”), who was first licensed as a Massachusetts non-resident insurance producer on or about March 25, 2014. The OTSC seeks revocation of Adams’s Massachusetts producer license on the grounds that she is subject to discipline pursuant to the provisions of M.G.L. c.175, §162R(a)(9). It also alleges that Adams failed to report to the Division a 2016 administrative action against her by Ohio, denial by Utah and South Dakota of Adams’s applications to renew her non-resident producer license in those states, and revocation by the states of California, Washington, Virginia and Wisconsin of her non-resident producer licenses in those jurisdictions, a violation of M.G.L. c. 175, §162V (a) (“§162V (a)”). In addition to revocation of Adams’s license and the imposition of fines for violations of §162V (a), the Division seeks orders that, among other things, require Adams to dispose of any insurance-related interests in Massachusetts and prohibit her from conducting business in the Commonwealth.

Adams filed no answer or other response to the OTSC. On October 2, 2019, the Division moved for entry of default and summary decision (“the Motion”). An order, entered on October 3, set a date for responding to the Motion and scheduled a hearing on the Motion for October 24, 2019. Robert Kelly, Esq. represented the Division in this matter. Neither Adams nor any person representing her attended the October 24 hearing.

Mr. Kelly reported that he had not been contacted at any time in this proceeding by Adams or any person purporting to represent her.

***Finding of Default***

According to the certificate of service submitted with the OTSC, the Division served the OTSC and Notice of Action on Adams by certified and regular first class United States mail addressed to her at the home and mailing address shown on the Division's producer licensing records: 753 Carlisle Street, Akron, OH 44310 and to her business address, Paul Moss Insurance Agency, 3700 Park East Drive, Suite 350, Beachwood, OH 44122. The Division attached to the Motion a photocopy of the certified mail envelope sent to Adams's business address that the United States Post Office returned to the Division on May 28, 2019, with the notation that it was undeliverable as addressed and could not be forwarded. Neither copy of the OTSC sent to the home and mailing address by certified or regular first class mail was returned to the Division.<sup>1</sup> Pursuant to M.G.L. c. 175, §174A, notice of a hearing required under §162R is deemed sufficient if sent postpaid by registered mail to the last business or residence address appearing on the records of the Commissioner.<sup>2</sup> On this record, I conclude that service of the OTSC on Adams was sufficient under §174A.

The Motion is grounded on Adams's failure to answer the OTSC. I find that Adams's failure to answer the OTSC or to respond to the Motion, and her failure to appear at the hearing warrant a finding that she is in default. By her default, Adams has waived her right to proceed further with an evidentiary hearing in this case and I may consider the Motion based on the record.

The record in this proceeding consists of the OTSC, the Motion, and the exhibits attached to them. The exhibits to the OTSC consist of an August 15, 2016 order from the Ohio Department of Insurance imposing a fine on Adams because of failure to pay state income tax, an order from the Utah Insurance Department and two orders from the South Dakota Division of Insurance notifying Adams that her applications for non-resident insurance producer licenses were denied, and orders from the California Department of

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<sup>1</sup> The Division attached to the Motion a United States Post Office tracking order indicating that as of May 11, 2019, those documents were in Akron and "on track to be delivered to its final destination."

<sup>2</sup> For purposes of this section, registered mail includes certified mail.

Insurance, the State of Washington Commissioner, the Virginia State Corporation Commission, and the Wisconsin Commissioner of Insurance revoking Adams's non-resident producer licenses. Attached to the Motion are copies of documents relating to service of the OTSC.

***Findings of Fact***

Based on my review of the record, I make the following findings of fact.

1. The Division first licensed Adams as a non-resident insurance producer on or about March 25, 2014.
2. At that time, Adams was licensed by Ohio as a resident insurance producer.
3. On August 15, 2016, Adams and Ohio entered into a consent agreement resolving a dispute over her suitability for licensure as a result of unpaid tax obligations to the state of Ohio.
4. On February 23, 2017, the Utah Insurance Commissioner notified Adams that her application for a Utah non-resident producer license was denied for providing incorrect, misleading, incomplete or materially untrue information [about the Ohio action] on that application.
5. On March 29, 2017 and on August 29, 2017, respectively, the South Dakota Division of insurance notified Adams that the applications for non-resident producer licenses she submitted on January 13, 2017 and June 13, 2017 were denied for failure to disclose the 2016 Ohio administrative action.
6. On November 1, 2017 the California Department of Insurance revoked Adams's non-resident producer license for failure to respond to its inquiry about the Ohio administrative action and the South Dakota March 29, 2017 license denial.
7. On March 2, 2018, the State of Washington revoked Adams's license for failure to report the 2017 administrative actions to it and failure to respond to inquiries from the Washington Insurance Commissioner.
8. On August 16, 2018, the Virginia State Corporation Commission revoked Adams's non-resident producer license for failure to report administrative actions by other jurisdictions.
9. On August 21, 2018, Wisconsin revoked Adams's intermediary insurance license for failure to report administrative actions by other jurisdictions.
10. Adams failed to report the Ohio, Utah, South Dakota, California, Washington, Virginia, or Wisconsin administrative actions to the Division within thirty days after the dates of those orders.

***Analysis and Discussion***

801 CMR 1.01(7) (h) permits a party to move for summary decision when, in its opinion, there is no genuine issue of fact relating to a claim and it is entitled to prevail as a

matter of law. Adams has not contested the factual allegations in the OTSC or offered any defense to the Division's claims for relief. M.G. L. c. 175, §§162G through 162X set out, among other things, the requirements for obtaining and maintaining a Massachusetts insurance producer license. Section 162R (a) specifies fourteen grounds on which the Commissioner may suspend or revoke a producer's license.

As grounds for revocation of Adams's license, the Division relies on §162R (a)(9) that permits disciplinary action if another jurisdiction has denied, suspended or revoked an insurance producer's license. The evidence submitted by the Division, orders in administrative actions by six other United States jurisdictions, permits, but does not mandate disciplinary action in any particular form, under the latter section. The Ohio administrative action, however, neither revoked nor suspended Adams's license.<sup>3</sup>

The Division asserts that Adams violated M.G.L. c. 175, §162V (a) by failing to report the administrative actions taken by Ohio, Utah, South Dakota, California, Virginia, Washington and Wisconsin within 30 days after the final dispositions of those matters. The statutory reporting requirement is limited to "final" dispositions, a term that specifically includes a "consent to order." The record supports a conclusion that Adams did not report to the Division the Ohio action or the California, Washington, Virginia or Wisconsin actions revoking her license and thereby violated M.G.L. c. 175, §162V (a).

I am not, however, persuaded that, in the circumstances of this matter, the denial of an application for an insurance producer's license should be viewed as a "final" disposition for purposes of §162V (a). As is apparent from the South Dakota orders, it did not appear to consider denial of Adams's January 2017 application as a bar to her second application five months later.<sup>4</sup>

Those same considerations are relevant to assessing whether denial of a license by another jurisdiction is a sound basis for revoking a license under §162R (a)(9). In this case, both Utah and South Dakota denied Adams's application as "incomplete" for failure

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<sup>3</sup> The Consent Order stated that failure to comply with the terms of the Order might result in suspension or revocation. No documents in the record indicate that such failure occurred.

<sup>4</sup> South Dakota's order refers to the denial as a "reportable" action. Note that the NAIC Uniform Renewal Application for Individual Producer license requires applicants to report any administrative proceeding involving a professional or occupational license in which they have been "named or involved," without reference to "finality."

to disclose the Ohio administrative action. According to Division records, Adams's Massachusetts non-resident license was renewed on November 4, 2016, about two and a half months after the Ohio administrative action. Because the record does not include a copy of the renewal application, it cannot be determined whether Adams did or did not disclose the Ohio action on her Massachusetts application. If she did, her Massachusetts license would have been approved with knowledge of her history; if not, the application could have been denied as "incorrect, misleading, incomplete or materially untrue." The adoption in most, if not all, United States jurisdictions of the licensing statute codified in Massachusetts as G.L. c. 175, §§162G through 162X, does not require those jurisdictions to adopt uniform practices with respect to applying that statute in particular circumstances. As a Massachusetts licensee, Massachusetts statutes apply to actions to revoke or suspend Adams's license. For that reason, I find that the denials by Utah and South Dakota of Adams's applications for insurance producer licenses do not support revocation of her Massachusetts license under §162R (a)(9).

The Division, in addition to revocation of Adams's license, requests fines based on Adams's violations of §162V (a). Because that reporting statute imposes no penalty for non-compliance, violators are subject to fines imposed in accordance with M.G.L. c.175, §194. The maximum fine allowed under that section is \$500 per violation.

On this record, I find that, pursuant to G.L. c. 175, §162R (a)(9), Adams's nonresident Massachusetts producer license should be revoked based on the actions by California, Virginia, Washington and Wisconsin. I find, further, that she is subject to fines for failure to report the Ohio, California, Virginia, Washington and Wisconsin actions to the Division within the statutory time frame, and impose a fine of \$250 for each of those violations of G.L. c. 175, §162V (a).

I also find that Adams should be prohibited from transacting any insurance business, directly or indirectly, in Massachusetts, and be required to dispose of any interests she may have in any insurance business in Massachusetts.

## **ORDERS**

Accordingly, after due notice, hearing and consideration it is

**ORDERED:** That any and all insurance producer licenses issued to Gahan Sharei Adams by the Division are hereby revoked; and it is

**FURTHER ORDERED:** that Gahan Sharei Adams shall return to the Division any licenses in her possession, custody or control; and it is

**FURTHER ORDERED:** that Gahan Sharei Adams shall cease and desist from the conduct that gave rise to this Order to Show Cause; and it is

**FURTHER ORDERED:** that Gahan Sharei Adams, from the date of this order, prohibited from directly or indirectly transacting any insurance business or acquiring, in any capacity whatsoever, any insurance business in the Commonwealth of Massachusetts; and it is

**FURTHER ORDERED:** that Gahan Sharei Adams shall comply with the provisions of G. L. c. 175, §166B and dispose of any and all interests in Massachusetts as a proprietor, partner, stockholder, officer or employee of any licensed insurance producer; and it is

**FURTHER ORDERED:** that Gahan Sharei Adams shall pay a fine of One Thousand Two Hundred Fifty Dollars (\$1,250) to the Division within 30 days of the entry of this order.

This decision has been filed in the office of the Commissioner of Insurance this 4th day of November 2019. A copy shall be sent to Adams by regular first class mail, postage prepaid.

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Jean F. Farrington  
Presiding Officer

Pursuant to M.G.L. c. 26, §7, this decision may be appealed to the Commissioner of Insurance.