

**STATE OF VERMONT**  
**DEPARTMENT OF FINANCIAL REGULATION**

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IN RE:

CHRISTOPHER WOCELL

18-13-1

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**STIPULATION AND CONSENT ORDER**

This Stipulation and Consent Order is entered this 21<sup>st</sup> day of February 2018 by and between Christopher Wocell (Respondent) and the Vermont Department of Financial Regulation (the Department).

**WHEREAS**, the Commissioner of the Department (Commissioner) is responsible for administering and enforcing the insurance laws of the State of Vermont, as set forth in 8 V.S.A. Sections 11, 12, 15, and 4804; and

**WHEREAS**, as a result of its investigation, the Department asserts that Respondent has violated the insurance laws, as set forth below; and

**WHEREAS**, Respondent, while not admitting the Department's findings and conclusions, met voluntarily with the Department and made his records available. He wishes to resolve this matter without further administrative proceedings; and

**WHEREAS**, Respondent elects to permanently waive any right to a hearing and appeal under the Vermont Administrative Procedure Act, Title 3, Chapter 25 of the Vermont Statutes Annotated, the rules, regulations and orders of the Commissioner, and any right to judicial review by any court with respect to this Consent Order;

NOW THEREFORE, the Commissioner makes findings and conclusions as follows:

**FINDINGS OF FACT**

1. Respondent Christopher Wocell is a Vermont resident insurance producer affiliated with Cornerstone Risk Management LLC (Cornerstone), with its principal place of business in Brattleboro, Vermont. He holds Resident Insurance Producer license #72453, issued July 1, 2002 and Resident Surplus Lines Producer license #1027969, issued April 10, 2015.
2. In December 2016, as a result of a complaint forwarded by the Vermont Department of Labor and pursuant to its statutory authority, the Department commenced an investigation into alleged misrepresentations made by Wocell in certificates of insurance he had issued to customers and third- party contractors for Workers' compensation, commercial liability and automobile insurance policies and related issues regarding his maintenance of the books and records of Cornerstone.

3. As a result of its investigation, the Department discovered that between March and December of 2015, Wocell had issued at least six certificates of insurance containing false information regarding workers compensation insurance. The certificates referenced insurance policies which had either lapsed or had never existed. Several of the certificates also contained erroneous or false information regarding commercial liability and automobile insurance policies.
4. During the time period covered by one of the inaccurate worker's compensation certificates, a serious injury occurred on a customer's job site. There was no workers' compensation coverage for the injury.
5. The Department's investigation also revealed that Wocell had failed repeatedly to check the accuracy of the insurance certificates he had issued and that he had inadequate systems in place to prevent such errors.
6. Cornerstone has entered into a contract to sell all its assets to Starkweather and Shepley LLC, a Rhode Island corporation. Wocell will be employed as an insurance producer but will have no role in issuing insurance certificates or in the banking and accounting functions of the new business. Starkweather will assume control of all trust accounting and back office functions.

#### CONCLUSIONS OF LAW

7. Pursuant to 8 V.S.A. §§ 11, 12, 15, and 4804, the Commissioner is charged with enforcing the insurance laws of the State of Vermont.
8. Pursuant to 8 V.S.A. § 4804(a)(3), the Commissioner may suspend or revoke an insurance producer's license for any violation of Title 8.
9. It is a violation of 8 V.S.A. Section 4804(a)(6) to misrepresent the terms of an insurance contract, including by issuing insurance certificates containing false or erroneous information regarding insurance policies.
10. The misrepresentation of products or services in an insurance certificate is a violation of 8 V.S.A. Section 4724(13) which violates 8 V.S.A. Section 4723.
11. By issuing insurance certificates which referenced lapsed or nonexistent insurance policies, Respondent violated 8 V.S.A. §§ 4723, 4724(13) and 4804(a)(6).

#### CONSENT ORDER

NOW, THEREFORE, based on Respondent's stipulation and on the basis of the Findings of Fact and Conclusions of Law, the Commissioner issues the following Order:

12. If Respondent fails or neglects to comply with any of the terms, conditions or undertakings set forth in this Stipulation and Consent Order, the Department may, upon written notice to Respondent, institute any legal or administrative proceedings it deems appropriate to enforce same and to seek such other appropriate sanctions, and Respondent shall consent to the entry of judgment for any unpaid balance.
13. Respondent shall pay an administrative penalty in the amount of \$25,000 to the Department within thirty (30) days of the execution of this Stipulation and Consent Order.
14. Respondent's Resident Producer and Surplus Lines licenses as referenced above shall be suspended for a period of thirty (30) days, with such suspensions held in abeyance provided Respondent is not disciplined by the Department or by another insurance regulator for a period of one year following the date of the execution of this Stipulation and Consent Order. Should

- Respondent not be disciplined for one year following the date of execution of this Stipulation and Consent Order, the suspension shall be immediately terminated and of no force or effect.
15. Following the sale of assets by Cornerstone, Respondent shall not issue any certificates of insurance.
  16. This Stipulation is expressly conditioned on the closing of the sale of Cornerstone's assets within 30 days of the date of this Stipulation.
  17. Nothing in this Stipulation and Consent order shall be construed as limiting the Commissioner's authority to investigate Respondent for matters not resolved by this Stipulation Or for matters unrelated to this Stipulation.
  18. Nothing herein shall be construed as limiting any private action a person may have.
  19. Respondent consents to the entry of this Order and acknowledges his consent is given freely and voluntarily and that no promise has been made to induce him to consent except as otherwise stated herein.
  20. Respondent acknowledges he has been represented by counsel in this matter and voluntarily waives his right to a hearing on this matter and to judicial review of this matter.
  21. Respondent further acknowledges the Commissioner retains jurisdiction over this matter for purposes of enforcing this Order.
  22. This Order shall be governed by and construed under the laws of the State of Vermont.
  23. This Order is entered into solely for the purpose of resolving this matter and is not intended to be used for any other purpose.

**CONSENT BY CHRISTOPHER WOCELL**

24. Christopher Wocell hereby admits the jurisdiction of the Commissioner over the subject matter of this proceeding and knowingly and voluntarily waives his right to a hearing before the Commissioner or his designee and all other procedures otherwise available under Vermont law, the rules of the Department, the provisions of Title 3, Chapter 25 or any right he may have to judicial review of this matter.
25. Respondent does not admit to the existence of the violations set forth in this agreement but agrees not to contest the Department's findings and conclusions.
26. Respondent acknowledges this Consent Order constitutes a valid order duly rendered by the Commissioner and agrees to be bound by it.
27. Respondent acknowledges and agrees this Consent order is entered into freely and voluntarily.
28. Respondent acknowledges his understanding of all terms, conditions, and obligations contained in the Consent Order and further acknowledges that should he fail to comply with any and all provision of the Consent Order, the Commissioner may impose additional sanctions and seek appropriate relief subject to the Respondent's right to a hearing pursuant to Vermont Insurance laws.

2/22/18

Date



Christopher Wocell

