

No. **2021-6940**

**Official Order
of the
Texas Commissioner of Insurance**

Date: 07/28/2021

Subject Considered:

Texas Department of Insurance

v.

Robert Renteria

SOAH Docket No. 454-21-0387.C

General remarks and official action taken:

The subjects of this order are Robert Renteria's life agent license and his general lines agent license with a life, accident, health, and HMO qualification. This order revokes Mr. Renteria's licenses.

Background

After proper notice was given, the above styled case was heard by an administrative law judge for the State Office of Administrative Hearings. The administrative law judge made and filed a proposal for decision containing a recommendation that the Texas Department of Insurance (TDI) revoke Mr. Renteria's licenses. A copy of the proposal for decision is attached as Exhibit A.

Findings of Fact

The findings of fact contained in Exhibit A are adopted by TDI and incorporated by reference into this order.

Conclusions of Law

The conclusions of law contained in Exhibit A are adopted by TDI and incorporated by reference into this order.



SOAH DOCKET NO. 454-21-0387.C

**TEXAS DEPARTMENT OF
INSURANCE,
Petitioner**

v.

**ROBERT RENTERIA,
Respondent**

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

PROPOSAL FOR DECISION

The staff (Staff) of the Texas Department of Insurance (Department) seeks to revoke the life agent and general lines agent licenses held by Robert Renteria. Staff alleges that Mr. Renteria willfully violated Texas insurance laws, intentionally made material misstatements in his license application, obtained a license by fraud or misrepresentation, engaged in dishonest acts, and failed to notify the Department on a monthly basis of the administrative actions taken against him by other regulators. Based on the evidence, the Administrative Law Judge (ALJ) recommends that the Department revoke Mr. Renteria’s license.

I. NOTICE, JURISDICTION, AND PROCEDURAL HISTORY

Notice and jurisdiction were not disputed and are set forth in the Findings of Fact and Conclusions of Law, below. On January 14, 2021, ALJ Rudy Calderon of the State Office of Administrative Hearings (SOAH) convened the hearing on the merits. Attorney Amanda Cagle represented Staff. Mr. Renteria represented himself. The hearing concluded that same day.¹

At the close of the hearing, the ALJ ordered the parties to file proposed findings of fact and conclusions of law by February 17, 2020, and that the record would then close. On February 22, 2021, ALJ Megan Johnson, to whom the case was reassigned,² issued an order extending the record-closing date to February 26, 2021, due to the weather emergency in Texas the week of February 14, 2021, and the related closing of SOAH that week.

¹ A court reporter transcribed the hearing into one volume. References to the transcript in this Proposal for Decision are abbreviated as “Tr. at ___.”

² 1. Tex. Admin. Code § 155.151(b).

II. DISCUSSION

A. Applicable Law

The Department may discipline a license holder, including by revoking a license, if the license holder has willfully violated a Texas insurance law, intentionally made a material misstatement in the license application, obtained a license by fraud or misrepresentation, or engaged in fraudulent or dishonest acts or practices.³

Staff has the burden of proving any grounds for revoking Mr. Renteria's license.⁴ The standard of proof is by a preponderance of the evidence.⁵

B. Evidence

At the hearing, Staff offered nine exhibits, all of which were admitted without objection.⁶ Staff also presented testimony from Lewis Wright, the liaison between the Department's Agent and Adjuster Licensing Office and the Department's Enforcement Division.⁷ Mr. Renteria testified on his own behalf and did not offer any exhibits.

1. Background Facts

a. Mr. Renteria's Licenses

³ Tex. Ins. Code §§ 4005.101(b)(1), (2), (3), (5), .102(2)(A), 4001.252(a)(3).

⁴ 1 Tex. Admin. Code § 155.427.

⁵ See *Granek v. Texas St. Bd. of Med. Examn'rs*, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.) (in rejecting application of higher proof standard, observing that “agency license-revocation proceedings are civil in nature and that in civil cases, no doctrine is more firmly established than that issues of fact are resolved by a preponderance of the evidence” (internal citations and quotations omitted)).

⁶ TDI Exs. 8 and 9 were applicable authorities, and the ALJ took judicial notice of these. Staff's exhibits are referred to as TDI exhibits.

⁷ Tr. at 15.

On October 6, 2009, the Department issued to Mr. Renteria a life agent license.⁸ The Department issued him an additional life, accident, health, and health maintenance organization (HMO) qualification on March 3, 2020.⁹

b. FINRA Actions

In 2019, the Financial Industry Regulatory Authority (FINRA), a financial regulator of the United States, took action against Mr. Renteria.¹⁰ In Disciplinary Proceeding No. 2019063663401 (First Action), FINRA issued a Letter of Acceptance, Waiver, and Consent¹¹ against Mr. Renteria in which it outlined its conclusions, namely, that:

- In February 2019, Mr. Renteria borrowed approximately \$1,600 from a customer. Mr. Renteria repaid this loan in full.
- In July 2019, Mr. Renteria borrowed approximately \$6,000 from a different customer. Mr. Renteria has not repaid any portion of this loan.
- Mr. Renteria borrowed this money in violation of his employer's written procedures.
- Mr. Renteria failed to notify his employer that he had borrowed this money, and did not obtain permission to do so.
- Mr. Renteria falsely certified on annual compliance questionnaires that he had not borrowed money from any customer.¹²

⁸ TDI Ex. 6 at 056.

⁹ *Id.*

¹⁰ TDI Ex. 3 at 013-019.

¹¹ *Id.*

¹² *Id.* at 014.

The First Action imposed a three-month suspension from association with any FINRA member in any capacity, a \$5,000 fine, and restitution of \$6,000 plus interest.¹³ Mr. Renteria consented to the First Action on November 18, 2019, but failed to inform the Department of it.¹⁴

In April 2020, FINRA took a second administrative action against Mr. Renteria.¹⁵ In Disciplinary Proceeding No. 2020065896801 (Second Action), a Letter of Acceptance, Waiver, and Consent was issued against Mr. Renteria.¹⁶ In the Second Action, FINRA concluded that Mr. Renteria provided false statements to FINRA in the First Action. Specifically, he provided a signed statement that he borrowed \$1,600 from a customer and had repaid her in full, even though he knew these statements were false.¹⁷ FINRA learned that Mr. Renteria actually borrowed \$20,000 from this customer and only repaid her \$2,200.¹⁸ The Second Action barred Mr. Renteria from association with any FINRA member in any capacity.¹⁹ Mr. Renteria consented to the Second Action on April 13, 2020, but failed to inform the Department of it.²⁰

c. Mr. Renteria's Application

Mr. Renteria submitted his application for his general lines agent license with a life, accident, health, and HMO qualification on March 2, 2020.²¹ On his application, he answered “No” to the question: “Have you ever been named or involved as a party in an administrative

¹³ *Id.* at 015.

¹⁴ *Id.* at 018; Tr. at 26.

¹⁵ TDI Ex. 4 at 024.

¹⁶ *Id.* at 021-024.

¹⁷ *Id.* at 022.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ Tr. at 25-30.

²¹ TDI Ex. 6 at 058.

proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?”²² This answer was false.²³

d. Civil Judgment

Then, on July 20, 2020, the 168th District Court of El Paso County, Texas, entered a civil judgment against Mr. Renteria in Docket Number 2020DCV1331, ordering him to pay \$19,170, plus attorney’s fees and costs to his customer.²⁴ He has not satisfied this judgment.²⁵

The Department seeks to revoke Mr. Renteria’s license.²⁶ Mr. Renteria requested a hearing to contest the revocation. He requests that no action be taken against his license.

2. Staff’s Evidence

In addition to its nine exhibits, Staff presented the testimony of Lewis Wright, Administrator Review Liaison to the Enforcement Division at the Department of Insurance. Mr. Wright explained that the Department expects its agents to be honest, trustworthy, and reliable so they may further the Department’s mission of protecting Texas consumers.²⁷ Mr. Wright pronounced that an insurance license is a privilege and carries the authority to transact insurance in the State of Texas, which implies that the Department vetted the agents thoroughly and deemed them to be honest, trustworthy and reliable.²⁸

²² *Id.* at 048.

²³ Tr. at 37.

²⁴ TDI Ex. 5.

²⁵ Tr. at 57.

²⁶ TDI Ex. 1 at 009; Tr. at 8.

²⁷ Tr. at 18.

²⁸ *Id.* at 19.

a. FINRA Actions

Mr. Wright explained that the Department became familiar with Mr. Renteria's situation when an insurance carrier (his former employer) reported that Mr. Renteria had violated its policies by borrowing money from members of that carrier's investment group.²⁹ He then testified about the FINRA disciplinary actions, the two corresponding Acceptance, Waiver, and Consent letters, and the civil judgment entered against Mr. Renteria.³⁰

Mr. Wright explained that the Department evaluates information received from various sources regarding its agents.³¹ It reviews any action taken by any other regulatory body or law enforcement entity or court and considers the information to ascertain whether continued licensure is wise.³² Here, the Department is concerned that Mr. Renteria took money from his clients without repaying it.³³ FINRA regulations and company policies were violated, and the Department expects compliance with all applicable regulations and policies.³⁴ Moreover, where, as here, an individual is permanently barred by a regulator, a serious evaluation of the events leading up to that bar must be undertaken.³⁵

Mr. Wright then testified briefly about Mr. Renteria's response to a request for information from the Department related to the FINRA actions.³⁶ He pointed out that Mr. Renteria did provide the names of the clients from whom he borrowed money and stated that he did not deny owing them money, but that he needed to set up a payment plan for the amounts owed.³⁷

²⁹ *Id.* at 21.

³⁰ *Id.* at 21-29, 31.

³¹ *Id.* at 31.

³² *Id.* at 31-32.

³³ *Id.* at 25-26.

³⁴ *Id.*

³⁵ *Id.* at 29.

³⁶ *Id.* at 32; TDI Ex. 7.

³⁷ Tr. at 32-33; TDI Ex. 7.

b. Mr. Renteria's Application and Failure to Report

Mr. Wright next testified about Mr. Renteria's license application, submitted March 2, 2020.³⁸ Although the application specifically asked about FINRA actions and was submitted by Mr. Renteria after the first disciplinary action was issued by FINRA and while the second action was being considered, Mr. Renteria specifically answered "No" to the question: "Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?"³⁹ Mr. Wright explained that the Department asks this question to ascertain whether an applicant is honest, trustworthy, and reliable—an attempt to gather the information necessary to do the evaluation tasked by the Legislature in making a licensing decision.⁴⁰ Mr. Wright confirmed that here, because Mr. Renteria's answer was false, his license was granted.⁴¹ However, under the Texas Insurance Code, any fraudulent or dishonest acts are to be considered grounds for revocation of that license.⁴²

Moreover, the Texas Insurance Code requires licensed agents to notify the Department, on a monthly basis, if they are subject to an action by another regulatory entity.⁴³ Mr. Renteria failed to comply with this requirement.⁴⁴ Mr. Wright explained that this failure is a concern to the Department because it needs to be aware of the actions taken by other regulatory boards and of Texas Insurance Code violations by its licensees.⁴⁵ In addition, according to Mr. Lewis, this failure reflects upon Mr. Renteria's trustworthiness and reliability.⁴⁶

³⁸ Tr. at 35; TDI Ex. 8.

³⁹ *Id.* at 35-36; TDI Ex. 8.

⁴⁰ *Id.* at 36-37.

⁴¹ *Id.* at 38.

⁴² *Id.* at 37.

⁴³ *Id.* at 39; Tex. Ins. Code § 4001.252(a)(3).

⁴⁴ *Id.* at 40.

⁴⁵ *Id.*

⁴⁶ *Id.*

Mr. Wright opined that Mr. Renteria's false answers on his application, coupled with his failure to notify the Department of the FINRA actions, indicate a willful intention to mislead the Department related to his current status. Also, the Department determined that there was an intentional, direct misleading of FINRA related to loans made to Mr. Renteria by his clients.⁴⁷ Mr. Wright testified that this "all points to a circumvention of rules and regulations designed to protect Texas consumers."⁴⁸ He testified that the Department's recommendation, therefore, is for revocation of licensure.⁴⁹

c. Mr. Renteria Cross-Examination

Staff cross-examined Mr. Renteria as well. It questioned him on the validity, authenticity, and contents of the contract for money with his client, the civil judgment, the FINRA documents, and his insurance application.⁵⁰ Mr. Renteria confirmed certain statements contained therein, his signatures, and that he has not repaid the money.⁵¹

3. Mr. Renteria's Evidence⁵²

Mr. Renteria testified on his own behalf. Mr. Renteria has been in the insurance industry for eleven years; however, he explained that he began having issues with the people that recruited him into his employer-carrier, Primerica, after about two years.⁵³ As such, he attempted to change the structure of his employment to no avail and decided to forfeit his Series 6 and 63 investments license.⁵⁴ At that time, ninety percent of his income was coming from that license, and losing it

⁴⁷ *Id.* at 41.

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.* at 55-60.

⁵¹ *Id.*

⁵² Mr. Renteria cross-examined Mr. Wright about Mr. Wright's familiarity with Mr. Renteria's former employer, Primerica, and whether that experience was positive or negative.

⁵³ Tr. at 47; TDI Ex. 7.

⁵⁴ *Id.* at 47-48.

took a very heavy toll on his family and his business.⁵⁵ Therefore, he borrowed money from friends who became clients.⁵⁶ Mr. Renteria did this to set up his own office to provide income for his family and to provide opportunities for others to do the same.⁵⁷

Mr. Renteria did not deny owing the money to his clients.⁵⁸ He stated that he was “simply not aware that we needed to report it to TDI” and that he is “truly sorry for not reporting it to TDI.”⁵⁹

C. Analysis

Staff identified three main bases for revoking Mr. Renteria’s license—his misrepresentation on his license application relating to the existence of two FINRA actions, his failure to notify the Department of those actions, and the conduct underlying and relating to both the FINRA actions and the civil judgment. Staff proved by a preponderance of the evidence that Mr. Renteria misrepresented an answer on his license application and obtained a license by fraud or misrepresentation. Accordingly, Mr. Renteria violated Texas Insurance Code § 4005.101(b)(2) and (3). Staff also proved by a preponderance of the evidence that Mr. Renteria failed to notify the Department of administrative actions taken against him by a financial regulator of the United States, thereby violating Texas Insurance Code §§ 4001.252(a)(3) and 4005.101(b)(1). Finally, Staff proved by a preponderance of the evidence that Mr. Renteria violated Texas Insurance Code § 4005.101 (b)(5) and (1) by engaging in fraudulent and dishonest practices and willfully violating an insurance law of this state through that aforementioned conduct.

⁵⁵ *Id.* at 49.

⁵⁶ *Id.* at 48.

⁵⁷ *Id.*

⁵⁸ TDI Ex. 7.

⁵⁹ *Id.*

1. Misrepresentation

With respect to the alleged misrepresentation, the ALJ finds that Mr. Renteria intentionally made a material misstatement in his license application. Mr. Renteria answered “No” to this question: "Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?"⁶⁰ The preponderance of the evidence shows Mr. Renteria knew he should have answered “Yes” to that question.

Mr. Renteria consented to the FINRA First Action with his signature on November 18, 2019, and the Second Action on April 7, 2020. It is implausible that, during the consideration of the Section Action and less than a year after the First Action, Mr. Renteria had wholly forgotten both FINRA actions when he applied for the license on March 2, 2020. Indeed, Mr. Renteria does not dispute this.

The ALJ finds that Mr. Renteria’s “No” answer to the administrative actions question on the application was a material misrepresentation and that he obtained the license by misrepresentation. Accordingly, the Department may revoke Mr. Renteria’s license based on his misrepresentation.⁶¹

2. Failure to Notify

The ALJ further finds that Mr. Renteria failed to notify the Department on a monthly basis of the administrative actions taken against him by FINRA, despite requirements to do so. This failure was confirmed by Mr. Wright⁶² and undisputed by Mr. Renteria. The ALJ concludes that this failure was dishonest and that Mr. Renteria has willfully violated an insurance law of this state.

⁶⁰ Tr. at 35-36; TDI Ex. 8.

⁶¹ Tex. Ins. Code § 4005.101(b)(2), (3), (5).

⁶² Tr. at 40.

3. Other Dishonest Acts

As outlined and determined in the First Action, Mr. Renteria borrowed money from his clients, against his employer's written procedures and without permission. As outlined and determined by the Second Action, Mr. Renteria provided false statements to FINRA in the First Action, and, as a result, was barred from association with any FINRA member in any capacity. Mr. Renteria does not contest these findings; he consented to them, as evidenced by his signature on the two Letters of Acceptance, Waiver, and Consent.

In addition, on July 20, 2020, the 168th District Court of El Paso County, Texas, entered a civil judgment against Mr. Renteria, which ordered him to pay \$19,170, plus attorney's fees and costs to the client from whom he borrowed money. Mr. Renteria has not satisfied this judgment.

The ALJ finds that Mr. Renteria's conduct was fraudulent and dishonest.

For these reasons, based on Mr. Renteria's misrepresentation on his license application, his failure to notify the Department of the FINRA actions, and the conduct underlying the FINRA actions and civil judgment, the ALJ recommends that Mr. Renteria's license be revoked. Despite the availability of lesser sanctions, the ALJ finds patterns of serious misrepresentation and failure to follow applicable regulations and laws, warranting the most serious of outcomes.

IV. FINDINGS OF FACT

1. Robert Renteria holds a life agent license issued by the Texas Department of Insurance (Department) on October 6, 2009, and a general lines agent license with a life, accident, health, and health maintenance organization (HMO) qualification issued by the Department on March 3, 2020.
2. Staff (Staff) of the Department seeks to revoke Mr. Renteria's license.
3. Mr. Renteria made a timely request for a hearing to challenge the revocation.
4. On October 14, 2020, the Department issued a notice of hearing to Mr. Renteria, which attached and incorporated by reference its petition in the case. The notice of hearing was

sent to Mr. Renteria's address on record at that time, by certified mail, return receipt requested.

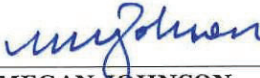
5. The notice of hearing and attached petition contain a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and either a short, plain statement of the factual matters asserted or an attachment that incorporates by reference the factual matters asserted in the complaint or petition filed with the state agency.
6. The hearing was held telephonically on January 14, 2021, before Administrative Law Judge (ALJ) Rudy Calderon of the State Office of Administrative Hearings (SOAH). Staff was represented by attorney Amanda Cagle. Mr. Renteria represented himself. The hearing was concluded on the same day. At the close of the hearing, the ALJ ordered the parties to file proposed findings of fact and conclusions of law by February 17, 2020, and stated that the record would then close. On February 22, 2021, ALJ Megan Johnson, to whom the case was reassigned, issued an order extending the record-closing date to February 26, 2021, due to the weather emergency in Texas the week of February 14, 2021, and the related closing of SOAH that week.
7. In 2019, the Financial Industry Regulatory Authority (FINRA), a financial regulator of the United States, took action against Mr. Renteria. In Disciplinary Proceeding No. 2019063663401 (First Action), FINRA issued a Letter of Acceptance, Waiver, and Consent against Mr. Renteria in which it outlined its conclusions, namely, that:
 - In February 2019, Mr. Renteria borrowed approximately \$1,600 from a customer. Mr. Renteria repaid this loan in full.
 - In July 2019, Mr. Renteria borrowed approximately \$6,000 from a different customer. Mr. Renteria has not repaid any portion of this loan.
 - Mr. Renteria borrowed this money in violation of his employer's written procedures.
 - Mr. Renteria failed to notify his employer that he had borrowed this money, and did not obtain permission to do so.
 - Mr. Renteria falsely certified on annual compliance questionnaires that he had not borrowed money from any customer.
8. The First Action imposed a three-month suspension from association with any FINRA member in any capacity, a \$5,000 fine, and restitution of \$6,000 plus interest.
9. Mr. Renteria consented to the First Action on November 18, 2019, but failed to inform the Department of it.

10. In April 2020, FINRA took a second administrative action against Mr. Renteria. In Disciplinary Proceeding No. 2020065896801 (Second Action), a Letter of Acceptance, Waiver, and Consent was issued against Mr. Renteria. In the Second Action, FINRA concluded that Mr. Renteria provided false statements to FINRA in the First Action. Specifically, he provided a signed statement that he borrowed \$1,600 from a customer and had repaid her in full, even though he knew these statements were false. FINRA learned that Mr. Renteria had actually borrowed \$20,000 from this customer and only repaid her \$2,200.
11. The Second Action barred Mr. Renteria from association with any FINRA member in any capacity.
12. Mr. Renteria consented to the Second Action on April 13, 2020, but failed to inform the Department of it.
13. In committing the acts found in the Second Action, Mr. Renteria engaged in dishonest acts or practices.
14. On March 2, 2020, when Mr. Renteria applied a general lines agent license with a life, accident, health, and HMO qualification, he answered "No" to the question: "Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?"
15. By falsely answering the application question about FINRA sanctions and proceedings, Mr. Renteria intentionally made a material misstatement in his license application, and thereby obtained a license by misrepresentation. This also constituted engaging in fraudulent or dishonest acts or practices. Further, he willfully violated an insurance law of this state.
16. On July 20, 2020, a civil judgment was entered against Mr. Renteria in Docket Number 2020DCV1431 before the 168th District Court of El Paso County, Texas. The judgment ordered him to pay \$19,170, plus attorney's fees and costs to the plaintiff, the client from whom he borrowed money.
17. To date, Mr. Renteria has not satisfied that judgment.
18. To date, Mr. Renteria has not repaid the money he borrowed.
19. By taking and not returning the money he took from his clients, Mr. Renteria has engaged in fraudulent or dishonest acts or practices.

V. CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter. Tex. Ins. Code chs. 82, 4001, 4005, 4051, 4054; Tex. Gov't Code ch. 2001.
2. SOAH has authority to hear this matter and to issue a proposal for decision with findings of fact and conclusions of law. Tex. Gov't Code ch. 2003; Tex. Ins. Code § 4005.104.
3. Mr. Renteria received timely and sufficient notice of the hearing. Tex. Gov't Code ch. 2001; Tex. Ins. Code § 4005.104(b).
4. The Department may discipline a license holder, including by revoking a license if the license holder has willfully violated a Texas insurance law, intentionally made a material misstatement in the license application, obtained a license by fraud or misrepresentation, engaged in fraudulent or dishonest acts or practices. Tex. Ins. Code §§ 4005.101(b)(1), (2), (3), (5), .102(2)(A), 4001.252(a)(3).
5. Staff had the burden of proving its asserted grounds for revoking Mr. Renteria's license. 1 Tex. Admin. Code § 155.427. The standard of proof is by a preponderance of the evidence. *Granek v. Tex. St. Bd. of Med. Examn'rs*, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.).
6. Mr. Renteria intentionally made a material misstatement on his license application. Tex. Ins. Code § 4005.101(b)(2).
7. Mr. Renteria obtained a license by fraud or misrepresentation. Tex. Ins. Code § 4005.101(b)(3).
8. Mr. Renteria engaged in dishonest acts or practices. Tex. Ins. Code § 4005.101(b)(5).
9. Mr. Renteria failed to notify the Department on a monthly basis of the administrative actions taken against him by FINRA, a financial regulator of the United States. Tex. Ins. Code § 4001.252(a)(3).
10. Mr. Renteria willfully violated an insurance law of this state. Tex. Ins. Code § 2005.101(b)(1).
11. The Department should revoke Mr. Renteria's license. Tex. Ins. Code §§ 4005.101, .102.

SIGNED April 23, 2021.



MEGAN JOHNSON
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS