

No. 2023-7954

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

Date: 05/11/2023

Subject Considered:

Maurice Chelliah

[REDACTED]
Roanoke, TX 76262

Default Order
SOAH Docket No. 454-23-15959
TDI Enforcement File No. 26439

General remarks and official action taken:

The subject of this default order is whether a life agent license should be issued to Maurice Chelliah (Respondent). Respondent did not respond to a Notice of Hearing filed by the Texas Department of Insurance. This order denies Respondent's license application.

The following findings of fact and conclusions of law are adopted:

Findings of Fact

Failure to Respond to Notice of Hearing

1. On April 4, 2023, the department filed a Notice of Hearing, attached as Exhibit A, and an Original Petition, attached as Exhibit B, with the State Office of Administrative Hearings.
2. The department's factual allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order as findings of fact.
3. The department sent the Notice of Hearing and Original Petition to Respondent's last known address provided in writing to the department, [REDACTED], Roanoke, Texas 76262. The Notice of Hearing and Original Petition were also

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Commissioner's Order

Maurice Chelliah

SOAH Docket No. 454-23-15959

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sent by electronic mail and to an additional address associated with Respondent, 21545 Dunrobin Way, Yorba Linda, California 92887.

4. Respondent failed to file a written response to the Notice of Hearing within 20 days of the date the Notice of Hearing and Original Petition were mailed.

Conclusions of Law

1. The commissioner has jurisdiction pursuant to Texas law, including TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101, 4005.102, and 4054.301; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to dispose of this case informally pursuant to TEX. GOV'T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89.
3. The department provided proper notice of the hearing pursuant to TEX. GOV'T CODE §§ 2001.051, 2001.052, and 2001.054, and 28 TEX. ADMIN. CODE §§ 1.28, 1.88, 1.89, and 19.906.
4. Based on Respondent's failure to file a written response to the Notice of Hearing, the department is entitled to disposition by default pursuant to 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
5. The department's factual and legal allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order and deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.

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Commissioner's Order

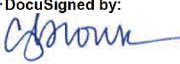
Maurice Chelliah

SOAH Docket No. 454-23-15959

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Order

It is ordered that Maurice Chelliah's application for a life agent license is denied. A copy of this order will be provided to law enforcement or other appropriate administrative agencies for further investigation as may be warranted.

DocuSigned by:

FC5D7E0DFFB84F8...

Cassie Brown
Commissioner of Insurance

Prepared and reviewed by:



Anna Kalapach, Staff Attorney
Enforcement

Affidavit

STATE OF TEXAS §

§

COUNTY OF TRAVIS §

Before me, the undersigned authority, personally appeared David Moreno, who, being by me duly sworn, deposed as follows:

"My name is David Moreno and I am employed by the Texas Department of Insurance. I am of sound mind, capable of making this affidavit, and have personal knowledge of these facts which are true and correct.

I have reviewed TDI's records concerning Maurice Chelliah. I have confirmed that:

- a. The last mailing address provided to the department in writing by Maurice Chelliah is [REDACTED], Roanoke, Texas 76262.
- b. The file maintained by Enforcement contains a Notice of Hearing dated April 4, 2023, and an Original Petition dated March 31, 2023, which were filed together on April 4, 2023, with the State Office of Administrative Hearings.
- c. On April 4, 2023, the Notice of Hearing and Original Petition addressed to Maurice Chelliah were mailed first-class and certified, return receipt requested, to his last known address and an additional address associated with Respondent, [REDACTED], Yorba Linda, California 92887.

A copy of the certified mail log and first-class mail log maintained by Enforcement is attached as Exhibit C and D, respectively."

DocuSigned by:

 6C88DA27593F4ED...
 Affiant

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Commissioner's Order

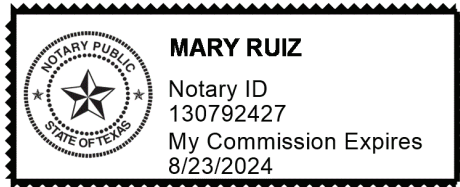
Maurice Chelliah

SOAH Docket No. 454-23-15959

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SWORN TO AND SUBSCRIBED before me by means of an interactive two-way audio and video communication on 4/27/2023. This notarial act was an online notarization.

Notary Seal



Digital Certificate

DocuSigned by:
Mary Ruiz
795DC4D59167489...

Notary Public State of Texas

ACCEPTED **2023-7954**
454-23-15959
4/4/2023 9:52:26 am
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Kevin Garza, CLERK

FILED
454-23-15959
4/4/2023 9:51 AM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Kevin Garza, CLERK

SOAH DOCKET NO. 454-23-15959
TDI ENFORCEMENT FILE NO. 26439

TEXAS DEPARTMENT OF INSURANCE,

Petitioner

v.

MAURICE CHELLIAH,

Respondent

BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

NOTICE OF HEARING

The Texas Department of Insurance seeks to deny your license application. This Notice of Hearing and the Original Petition, which is attached and incorporated for all purposes, states the allegations against you and the relief sought by the Department.

A public hearing will be held before an Administrative Law Judge on **Tuesday, November 14, 2023, at 9:00 a.m.** The hearing will take place via videoconference using a videoconference platform controlled by the State Office of Administrative Hearings, unless otherwise ordered to proceed in another manner by the Administrative Law Judge.

The hearing shall be conducted under TEX. GOV'T CODE, ch. 2001 and 1 TEX. ADMIN. CODE, ch. 155. Unless otherwise directed by the Administrative Law Judge, the hearing shall continue from day to day in the offices of the State Office of Administrative Hearings until concluded. You have the right to appear at this hearing and to be represented by an attorney.

Parties that are not represented by an attorney may obtain information regarding contested case hearings on the public website of the State Office of Administrative Hearings at www.soah.texas.gov, or in printed format upon request to SOAH.

YOU MUST FILE A WRITTEN RESPONSE TO THE NOTICE OF HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN 20 DAYS OF THE DATE THE NOTICE OF HEARING WAS MAILED. FAILURE TO FILE A WRITTEN RESPONSE BY THIS DEADLINE SHALL ENTITLE TDI TO SEEK DISPOSITION BY DEFAULT UNDER 1 TEX. ADMIN. CODE § 155.501 AND 28 TEX. ADMIN. CODE §§ 1.88 AND 1.89.

EXHIBIT

A

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Notice of Hearing

Maurice Chelliah

SOAH Docket No. 454-23-15959

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IF YOU FAIL TO FILE A WRITTEN RESPONSE, THE SCHEDULED HEARING CAN BE CANCELED AND WITHOUT FURTHER NOTICE TO YOU THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING DENIAL OF YOUR LICENSE APPLICATION, IS GRANTED BY DEFAULT.

IF YOU FILE A WRITTEN RESPONSE BUT THEN FAIL TO APPEAR ON THE DAY AND TIME SET FOR HEARING, WITHOUT FURTHER NOTICE TO YOU, THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING DENIAL OF YOUR LICENSE APPLICATION, IS GRANTED BY DEFAULT.

In accord with 28 TEX. ADMIN. CODE § 1.90(e) and 1 TEX. ADMIN. CODE §§ 155.101 and 155.103, you should send copies of your written response to:

- (1) *(by mail, fax, or electronically)*
Docketing Division
State Office of Administrative Hearings
300 West 15th Street, Room 504
P.O. Box 13025
Austin, Texas 78711-3025
(512) 322-2061 (Fax);
www.soah.texas.gov
- (2) *(by mail, fax, or email)*
Chief Clerk
Texas Department of Insurance
P.O. Box 12030, MC GC-CCO
Austin, Texas 78711-2030
(512) 490-1064 (Fax)
chiefclerk@tdi.texas.gov; and
- (3) *(by mail, fax, or email)*
Anna Kalapach, Staff Attorney
Texas Department of Insurance
Enforcement, MC ENF

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Notice of Hearing

Maurice Chelliah

SOAH Docket No. 454-23-15959

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P.O. Box 12030
Austin, Texas 78711-2030
(512) 490-1020 (Fax)
anna.kalapach@tdi.texas.gov

Receiving Documents Electronically and Filing Documents with SOAH

The State Office of Administrative Hearings (SOAH) offers you the ability to electronically receive orders and other documents issued by SOAH by email instead of by mail. If you want to receive SOAH-issued documents by email, follow the instructions on SOAH's website: www.soah.texas.gov.

A request to receive SOAH-issued documents by email does not change the procedures you must follow to file documents or exhibits with SOAH. Instructions on how to file documents and exhibits are on SOAH's website. SOAH's website also includes guidance for representing yourself.

Important Security Notice (for In-Person Hearings ONLY)

ALL VISITORS TO THE WILLIAM P. CLEMENTS BUILDING WITHOUT AN AGENCY OR DPS ISSUED ID CARD MUST PROVIDE THE BUILDING SECURITY OFFICER WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS DOCKET NUMBER AND RECEIVE A VISITOR'S PASS IN ORDER TO BE ALLOWED ACCESS TO THE HEARING ROOM. INDIVIDUALS SHOULD ALLOW ADDITIONAL TIME TO GO THROUGH THE SECURITY PROCESS.

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Notice of Hearing

Maurice Chelliah

SOAH Docket No. 454-23-15959

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If you have any questions, please contact me at the address or telephone number shown below.

Respectfully Submitted,



Anna Kalapach
State Bar No. 24083290
Texas Department of Insurance
Enforcement, MC ENF
P.O. Box 12030
Austin, Texas 78711-2030
(512) 676-6326 (Direct)
(512) 490-1020 (Fax)
anna.kalapach@tdi.texas.gov

ATTORNEY FOR THE PETITIONER
TEXAS DEPARTMENT OF INSURANCE

Enclosure: Original Petition

cc: Leah Gillum, Deputy Commissioner, Fraud and Enforcement Division, MC ENF
Rachel Cloyd, Litigation Director, Enforcement, MC ENF
Administrative Review, MC CO-AAL

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CERTIFICATE OF SERVICE

I, Anna Kalapach, certify that a true and correct copy of the *Notice of Hearing and the Original Petition* were sent by the following methods, on this 4th day of April, 2023 to:

Maurice Chelliah

[REDACTED]

Roanoke, TX 76262

Respondent Pro Se

Via First Class Mail

Via CM/RRR No.: 9214 8901 9403 8309 6370 84

Via Email to:

[REDACTED]

Maurice Chelliah

[REDACTED]

Yorba Linda, CA 92887

Respondent Pro Se

Via First Class Mail

Via CM/RRR No.: 9214 8901 9403 8309 6378 24



Anna Kalapach

2023-7954

454-23-15959

FILED
454-23-15959
3/31/2023 2:23 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Pegah Nasrollahzadeh, CLERK

ACCEPTED
454-23-15959
3/31/2023 2:57:07 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Pegah Nasrollahzadeh, CLERK

SOAH DOCKET NO. 454-_____
TDI ENFORCEMENT FILE NO. 26439

TEXAS DEPARTMENT OF INSURANCE,

BEFORE THE STATE OFFICE

Petitioner

v.

OF

MAURICE CHELLIAH,

ADMINISTRATIVE HEARINGS

Respondent

ORIGINAL PETITION

The Texas Department of Insurance seeks to deny Maurice Chelliah’s license application. In support of this petition, the department makes the following allegations upon information and belief:

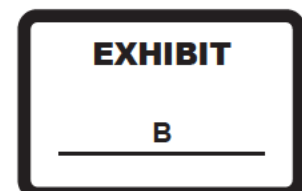
Jurisdiction

The Commissioner of Insurance has jurisdiction over this matter under TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101, 4005.102, and 4054.301, and TEX. GOV’T CODE §§ 2001.051-2001.178.

Factual Allegations

Prior Licensure

1. Under individual identification number 578279, Maurice Chelliah (Chelliah) previously held a non-resident general lines agent license with a life, accident, and HMO qualification which was issued by the department on March 11, 2004, and which expired on March 11, 2010, due to his failure to renew it.
2. Chelliah had a Texas non-resident license because he lived in California and held a license in California.



License Application

3. On June 15, 2020, Chelliah submitted an application to the department for a resident life agent license, contending he is a Texas resident with an address of "[REDACTED] Roanoake, [sic] Texas 76262."
4. The department proposed to deny Chelliah's application on October 28, 2020, because he may have committed an act for which a license may be denied under TEX. INS. CODE § 4005.101. Chelliah appealed that decision and made a written request for a hearing.

Lacks Qualification for Resident Licensure, Material Misstatement in License Application, and Attempt to Obtain Licensure through Fraud or Misrepresentation

5. In his application, Chelliah falsely represented that he is a Texas resident, when in fact he is a California resident.
6. Chelliah holds a California driver's license.
7. As discussed in more detail below, in 2022, after Chelliah applied for a license with TDI, the Securities and Exchange Commission (SEC) determined that jurisdiction in case number 22-CV-600 TWR WVG in the United States District Court for the Southern District of California was appropriate because Chelliah is indeed, a resident of San Diego, California.
8. Since Chelliah is actually a California resident, he does not meet the eligibility requirements for holding a Texas resident life agent license.
9. Chelliah made material false statements to TDI in his application, lying about his home state of residence because he is not qualified for non-resident licensure. The insurance regulator in his actual resident state, California Department of Insurance (CDI), has previously revoked insurance licenses Chelliah held in California, and has also denied him licensure, which actions and the reasons for those are more fully discussed below.

Permanently Barred by Financial Industry Regulatory Authority

10. In September 2013, the Financial Industry Regulatory Authority (FINRA) alleged Chelliah violated National Association of Security Dealers rules by converting \$90,000 in customer funds.
11. FINRA also alleged that Chelliah made unsuitable recommendations in violation of FINRA rules. His unsuitable recommendations included refinancing with adjustable rate mortgages and unnecessary purchases of life insurance policies, which resulted in five customers losing their homes because they were unable to pay their mortgages.
12. On September 5, 2013, Chelliah signed a FINRA Letter of Acceptance, Waiver and Consent (AWC), in matter number 2011029747001. In the letter, Chelliah accepted and consented to FINRA's findings that he:
 - a. Converted approximately \$90,000 from an elderly married couple.
 - b. Recommended an elderly married couple invest in products which resulted in the couple being unable to pay their mortgage, their life insurance premiums, or even meet their basic living expenses.
 - c. Recommended that a different elderly, retired couple refinance their home with an adjustable rate mortgage and purchase life insurance policies for which the monthly mortgage and premium payments exceeded their monthly income. As a result, the elderly couple's home and rental property were foreclosed upon.
 - d. Recommended that an unsophisticated investor refinance his home with an adjustable rate mortgage and use the proceeds to purchase a universal life insurance policy, which the investor did not request or need the policy. As a result of the insurance premiums and increased mortgage payments, the investor lost his home to foreclosure.
13. In the AWC, Chelliah agreed to:
 - a. be barred from associating with any member of FINRA in any capacity;

- b. that the AWC will become part of his permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him; and
 - c. that he may not take any action or make or permit to be made any public statement, including regulatory filings or otherwise, denying, directly or indirectly, any findings in the AWC.
14. As of the date of this petition, Chelliah is permanently barred from associating with any member of FINRA in any capacity.

Revocation of License in Resident State

15. On March 13, 2014, CDI revoked Chelliah's accident and health and life only broker-agent license, and canceled his variable contracts authority in File No. LCB 1385-AP.
16. The Order stated that Chelliah failed to notify CDI of the FINRA AWC, as required by the California Insurance Code.
17. CDI concluded that the disciplinary action taken by FINRA showed that Chelliah:
- a. previously engaged in a fraudulent practice or act, or has conducted business in a dishonest manner;
 - b. has shown incompetency or untrustworthiness in the conduct of any business, or has by commission of a wrongful act or practice in the course of any business exposed the public or those dealing with him to the danger of loss;
 - c. is not of good business reputation; and
 - d. is lacking in integrity.
18. CDI concluded it would be against the public interest to permit Chelliah to continue to transact insurance in California.

Denial of Application in Resident State

19. On December 7, 2017, Chelliah submitted an application with CDI for a license to act as a life-only agent.
20. On February 26, 2018, CDI issued an Order of Summary Denial in File No. LCB 1385-B which denied Chelliah's application.
21. The Order of Summary Denial stated that Chelliah's bar from association with any member of FINRA and the revocation of Chelliah's license to act as an accident and health agent and life-only agent shows that it would be against the public interest to permit Chelliah to transact insurance in California.
22. Since Chelliah's actual resident state, California, revoked his license in 2014 and denied his life-only agent license application in 2018, he is not eligible for any non-resident license in Texas.¹

Violations of Arizona Consumer Fraud Act

23. Around June 2012, the State of Arizona filed suit against Chelliah, businesses Chelliah was member of, and other defendants, in case number CV2012-009716, in the Superior Court of Arizona, in Maricopa County, Arizona.
24. On June 28, 2012, the court issued a temporary restraining order (Temporary Restraining Order). It concluded that there was good cause to believe that Chelliah and other defendants have engaged in, and are likely to engage in, acts and practices in violation of the Arizona Consumer Fraud Act.
25. The Temporary Restraining Order restrained and enjoined Chelliah and the other defendants from certain activities, including:
 - a. Making any and all outbound telemarketing call and/or email solicitations with respect to a business opportunity or any products/services associated with a business opportunity within Arizona or to any consumer residing in Arizona; and

¹ TEX. INS. CODE § 4056.052.

- b. Providing to any person the name, address, telephone number, birth date, email address, Social Security number, credit or debt card number, bank account number, or other financial or identifying personal information of any consumer who provided such information to or did business with the defendants.
26. The Temporary Restraining Order also froze certain assets in the U.S. belonging to Chelliah and other defendants.
27. On July 9, 2012, Arizona filed a First Amended Complaint and Application for Temporary Restraining Order, Preliminary Injunction and Other Relief (Amended Complaint). The Amended Complaint named Chelliah as a defendant, individually, and as a member of Suki Enterprises, LLC (Suki), and an officer, director and/or owner of Draycott Company, Inc (Draycott). In part, Arizona alleged:
 - a. Defendants operated a business opportunity telemarketing scheme since January 2009, using numerous business names and business locations to defraud thousands of consumers nationwide.
 - b. Defendants enticed consumers to purchase websites by promising substantial commissions from sales generated from the consumers' individual website. After purchasing a website, defendants contacted the consumer and use high-pressure sales techniques to convince consumers to spend thousands of dollars on "marketing packages" to obtain leads. Defendants promised consumers that the purchase of leads would assure substantial commissions, sufficient enough to allow them to recoup their investment and earn additional income.
 - c. No consumer who conducted business with defendants recouped the money they invested in the scheme.
 - d. Defendants consistently and continuously made misrepresentations, and false and deceptive statements to consumers in violation of the Arizona Consumer Fraud Act.
 - e. When dealing with some consumers, defendants changed their business names and telephone numbers in an attempt to conceal their true identities from consumers and/or law enforcement agencies.

28. The State of Arizona alleged that after consumers discovered defendants' program was a fraud, over 475 consumers filed a complaint with the State.
29. On or about May 5, 2014, Chelliah signed a Stipulated Consent Judgment (Judgment) in case number CV2012-009716.
30. The Judgment contains findings of fact, including:
 - a. Chelliah, Suki, and Draycott (Chelliah Defendants) were associated with other defendants, who conducted a scheme or artifice to defraud and did, in fact, defraud thousands of consumers throughout the country;
 - b. Beginning in March 2011, Chelliah Defendants took several actions to further the enterprise, including assisting with the incorporation of businesses, rental of office space, establishment of bank accounts, establishment of merchant accounts, and transfer of monies to and from bank accounts belonging to various defendant account in furtherance of and for the benefit of the enterprise;
 - c. Chelliah Defendants' actions resulted in assistance of the enterprise to conduct activity that constituted racketeering; and
 - d. Chelliah Defendants' actions resulted in the assistance of the enterprise to pursue a scheme or artifice to defraud, and to commit theft and money laundering.
31. The Judgment contains conclusions of law regarding the Chelliah Defendants, including that:
 - a. their actions constitute violations of Organized Crime, Fraud, and Terrorism statutes, A.R.S. §§ 13-2312 and 13-2314,² *et seq*;

² Title 13 of the Arizona Revised Statutes is referred to as the Criminal Code.

- b. their actions constitute violations of the Arizona Consumer Fraud Act, A.R.S. § 44-1521, *et seq.*³
 - c. their actions constitute violations of A.R.S. § 44-1221(A) regarding Deceptive Use of Name; and
 - d. they knew or should have known that their conduct was prohibited by A.R.S. § 44-1522, and thereby giving rise to civil penalties under A.R.S. § 44-1531(B).
32. The Judgement prohibited Chelliah and Draycott from:
- a. Engaging in, receiving any remuneration of any kind whatsoever from, holding any ownership interest, share or stock in, or serving as an officer, director, or trustee of any business entity engaged, in whole or in part, in the sale of any business opportunity⁴ and/or telephone solicitation service location in Arizona or conducting solicitations to Arizona residents;
 - b. Engaging in any business in Arizona that includes outbound telemarketing as a means to generate sales;
 - c. Making or participating in any and all outbound telemarketing calls to any resident of Arizona; and
 - d. Providing to any person the name, address, telephone number, credit or debt card number, or bank account number of any consumer who provided such information to or did business with the defendants.

³ A.R.S. § 44-1522(A), which is part of the Arizona Consumer Fraud Act, states "The act, use or employment by any person of any deception, deceptive or unfair act or practice, fraud, false pretense, false promise, misrepresentation, or concealment, suppression or omission of any material fact with intent that others rely on such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise whether or not any person has in fact been misled, deceived or damaged thereby, is declared to be an unlawful practice."

⁴ "Business opportunity" is defined in the Judgment as "the sale or lease, or offer for sale or lease, of any product or service that is sold or offered for sale to purchasers for the purpose of enabling the purchaser to start and operate a business when the seller represents, directly or by implication, the following: (a) that the seller will provide assistance or support for the business (e.g. marketing or sales programs or packages) and (b) that the purchaser will derive income from the business."

33. The Judgment awarded restitution to Arizona in an amount equal to the monies held by businesses in which Chelliah owned an interest. The Court ordered the surrender of assets held in 15 specific bank accounts, at four separate banks, which were subject to the prior asset freeze.
34. The Judgment states that restitution will be distributed to eligible consumers.
35. Furthermore, the Judgment awarded a total of \$600,000 to Arizona, payable by all defendants listed in the case. The Judgment provided that the award shall be considered satisfied if Chelliah Defendants took certain steps to assist in the transfer of the restitution assets to Arizona and complied fully with the injunctive terms of the Judgment.'

SEC Action Resulting in Civil Penalty and Disgorgement of Ill-Gotten Gains

36. On April 28, 2022, the Securities and Exchange Commission (SEC) filed a complaint listing Chelliah and others as defendants, in the United States District Court for the Southern District of California, in case number 22-CV-600 TWR WVG.
37. The SEC alleged that:
 - a. Chelliah assisted with the day-to-day operations of a multi-level-marketing style sales program marketing a blockchain based platform for digital asset securities.
 - b. Chelliah used investor funds for his own personal expenses.
 - c. Chelliah participated in at least two sales calls with investors and was at least negligent in not knowing that the underlying technology did not function as he and the other defendants represented to investors.
 - d. Chelliah violated federal securities laws and unless restrained and enjoined will continue to violate federal securities laws.
38. In the interest of protecting the public from any further fraudulent activity and harm, the SEC sought the following action against Chelliah in the complaint:
 - a. Permanent injunctive relief;

- b. Disgorgement of ill-gotten gains;
 - c. Prejudgment interest on those ill-gotten gains;
 - d. Civil penalties; and
 - e. All other equitable and ancillary relief to which the Court determines the SEC is entitled.
39. On December 13, 2022, the Court permanently restrained and enjoined Chelliah from violating certain sections of the Securities Act of 1993, including 15 U.S.C. §§ 77q(a)(2)⁵ and (3).⁶
40. The Court ordered Chelliah to pay disgorgement of ill-gotten gains as determined by the Court upon motion from the SEC and prejudgment interest on those ill-gotten gains calculated from July 1, 2018.
41. Furthermore, the Court decreed that Chelliah is liable for a civil penalty in the amount of \$75,000.

Legal Allegations

1. Under TEX. INS. CODE § 4001.254, agents are required to maintain the qualifications necessary to obtain a license.
2. Chelliah is not qualified to obtain a license in Texas. Chelliah made false statements to TDI in his individual license application, regarding his mailing and physical

⁵ 15 U.S.C. § 77q(a)(2) states "it shall be unlawful for any person in the offer or sale of any securities (including security-based swaps) or any security-based swap agreement (as defined in section 78c(a)(78) of this title) by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

⁶ 15 U.S.C. § 77q(a)(3) states "it shall be unlawful for any person in the offer or sale of any securities (including security-based swaps) or any security-based swap agreement (as defined in section 78c(a)(78) of this title) by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser."

address, which information was material and required under TEX. INS. CODE § 4001.105 and 28 TEX. ADMIN. CODE § 19.801(b)(1)(A)(iv).

3. Chelliah is not a resident of Texas and does not hold a license in good standing in his true resident state of California, as required by TEX. INS. CODE § 4056.052 in order to hold a non-resident license.
4. Chelliah has committed acts for which a license may be denied under TEX. INS. CODE §§ 4005.101 and 4005.102, because Chelliah:
 - a. intentionally made a material misstatement in his application, as contemplated by TEX. INS. CODE § 4005.101(b)(2);
 - b. attempted to obtain a license by fraud or misrepresentation, as contemplated by TEX. INS. CODE § 4005.101(b)(3); and
 - c. engaged in fraudulent and dishonest acts or practices, as contemplated by TEX. INS. CODE § 4005.101(b)(5).

Relief Sought

If one or more of the above allegations is found to be true, the department asks the Administrative Law Judge to enter a Proposal for Decision recommending that the Commissioner of Insurance issue an order:

1. denying Maurice Chelliah's license application; and
2. imposing any other just and appropriate relief to which the department may be entitled to by law.

Respectfully Submitted,



Anna Kalapach
State Bar No. 24083290
Texas Department of Insurance
Enforcement, MC ENF

2023-7954

Original Petition

Maurice Chelliah

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P.O. Box 12030

Austin, Texas 78711-2030

(512) 676-6326 (Direct)

(512) 490-1020 (Fax)

anna.kalapach@tdi.texas.gov

ATTORNEY FOR THE PETITIONER

TEXAS DEPARTMENT OF INSURANCE

2023-7954

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Mary Ruiz on behalf of Anna Kalapach
Bar No. 24083290
Enforcementgeneral@tdi.texas.gov
Envelope ID: 74225320
Filing Code Description: Request to Docket
Filing Description: Docket Request
Status as of 3/31/2023 3:05 PM CST

Associated Case Party: Chief Clerk

Name	BarNumber	Email	TimestampSubmitted	Status
Chief Clerk		ChiefClerk@tdi.texas.gov	3/31/2023 2:23:29 PM	SENT

Associated Case Party: Texas Department of Insurance

Name	BarNumber	Email	TimestampSubmitted	Status
Anna Kalapach		Anna.Kalapach@tdi.texas.gov	3/31/2023 2:23:29 PM	SENT
Rachel Cloyd		Rachel.Cloyd@tdi.texas.gov	3/31/2023 2:23:29 PM	SENT
Texas Department of Insurance		Enforcementgeneral@tdi.texas.gov	3/31/2023 2:23:29 PM	SENT

Associated Case Party: Maurice Chelliah

Name	BarNumber	Email	TimestampSubmitted	Status
Maurice Chelliah		[REDACTED]	3/31/2023 2:23:29 PM	SENT

2023-7954

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Mary Ruiz on behalf of Anna Kalapach
Bar No. 24083290
Enforcementgeneral@tdi.texas.gov
Envelope ID: 74302254
Filing Code Description: Notice of Hearing
Filing Description: Notice of Hearing and Original Petition
Status as of 4/4/2023 9:53 AM CST

Associated Case Party: Texas Department of Insurance

Name	BarNumber	Email	TimestampSubmitted	Status
Rachel Cloyd		Rachel.Cloyd@tdi.texas.gov	4/4/2023 9:51:14 AM	SENT
Anna Kalapach		Anna.Kalapach@tdi.texas.gov	4/4/2023 9:51:14 AM	SENT
Texas Department of Insurance		Enforcementgeneral@tdi.texas.gov	4/4/2023 9:51:14 AM	SENT
Leah Gillum		Leah.Gillum@tdi.texas.gov	4/4/2023 9:51:14 AM	SENT
Catarina Tapia		Catarina.Tapia@tdi.texas.gov	4/4/2023 9:51:14 AM	SENT

Associated Case Party: Chief Clerk

Name	BarNumber	Email	TimestampSubmitted	Status
Chief Clerk		ChiefClerk@tdi.texas.gov	4/4/2023 9:51:14 AM	SENT

Associated Case Party: Maurice Chelliah

Name	BarNumber	Email	TimestampSubmitted	Status
Maurice Chelliah		[REDACTED]	4/4/2023 9:51:14 AM	SENT



Firm Mailing Book For Accountable Mail

2023-7954

- Check type of mail or service
- Adult Signature Required
 - Adult Signature Restricted Delivery
 - Certified Mail
 - Certified Mail Restricted Delivery
 - Collect on Delivery (COD)
 - Insured Mail
 - Priority Mail
 - Priority Mail Express
 - Registered Mail
 - Return Receipt for Merchandise
 - Signature Confirmation
 - Signature Confirmation Restricted Delivery

Name and Address of Sender
 MC ENF M RUIZ
 TEXAS DEPARTMENT OF INSURANCE
 1601 CONGRESS AVENUE, SUITE 6.900
 AUSTIN TX 78711
ENF

Affix Stamp Here
 (for additional copies of this receipt).
 Postmark with Date of Receipt.

USPS Tracking/Article Number	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1 9214 8901 9403 8309 6370 84	1.74	4.15								2.10			
ANNA/26439	1.74	4.15								2.10			
2 9214 8901 9403 8309 6378 24													
			Handling Charge - If Registered and over \$50,000 in value				Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling

ADDRESSEE (Name, Street, City, State, & ZIP Code™)

MAURICE CHELLIAH
 [REDACTED]
 ROANOKE, TX 76262

MAURICE CHELLIAH
 [REDACTED]
 YORBA LINDA, CA 92887

RECEIVED
 APR 05 2023
 TDI - ENFORCEMENT



EXHIBIT
 C

Total Number of Pieces Listed by Sender: 2
 Total Number of Pieces Received at Post Office: 2
 Postmaster, Per (Name of receiving employee): [Signature]



Shipment Confirmation
Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 04/04/2023
 Shipped From:
 Name: MC ENF M RUIZ
 Address: 1601 CONGRESS AVENUE SUITE 6 900
 City: AUSTIN
 State: TX ZIP+4® 78711

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

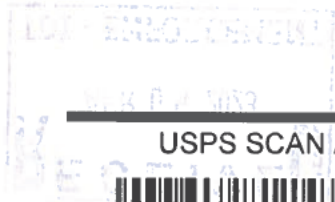
*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
 Leave form with customer or in customer's mail receptacle.



USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0043 4909 04



ANNA/26439

Name and Address of Sender
 Texas Dept of Insurance
 Mail Code ENF
 1601 Congress Avenue, Suite 6.900
 Austin TX 78711
 Mary Ruiz
 April 4, 2023

ENF

ANNA/26439

USPS Tracking/Article Number

- Check type of mail or service
- Adult Signature Required
 - Adult Signature Restricted Delivery
 - Certified Mail
 - Certified Mail Restricted Delivery
 - Collect on Delivery (COD)
 - Registered Mail
 - Return Receipt for Merchandise
 - Signature Confirmation
 - Signature Confirmation Restricted Delivery
 - Registered Mail
 - Priority Mail

Address (Name, Street, City, State, & Zip Code)

MAURICE CHELLIAH
 ROANOKE, TX 76262

YORBA LINDA, CA 92387

Postage

1.74

Affix Stamp Here
 (If issued as an international certificate of mailing or for additional copies of this receipt, Postmark with Date of Receipt)

RECEIVED
 APR 05 2023
 TDI - ENFORCEMENT



13

Handling Charge

\$0,000 in value

OFFICIAL BUSINESS
 STATE OF TEXAS
 PENALTY FOR PRIVATE USE

neopost-4
 04104/2023
 US POSTAGE \$003.70
 041M12252405
 ZIP 76701

- Adult Signature Requ.
- Adult Signature Restricted Deliv.
- Restricted Delivery
- Return Receipt
- Signature Confirmation
- Signature Confirmation Restricted Delivery
- Special Handling

EXHIBIT
 D

Firm Mailing Book For Accountable Mail