

No. 2023-7982

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

Date: 05/23/2023

Subject Considered:

Texas Department of Insurance

v.

Tori Elyse Aldridge

SOAH Docket No. 454-21-2362.C

General Remarks and Official Action Taken

The subject of this order is Tori Elyse Aldridge's application for a permanent life agent license. This order denies Ms. Aldridge's license application.

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 prepared and filed a proposal for decision containing a recommendation that the department deny Ms. Aldridge's license application.

Texas Department of Insurance Enforcement staff filed exceptions to the proposal for decision, requesting that the citation to Texas Insurance Code § 2652.001 be changed to the version in place prior to 2015, as that was the law at the time Ms. Aldridge committed the violations. The administrative law judge agreed to the correction and issued a corrected proposal for decision. A copy of the corrected proposal for decision is attached as Exhibit A.

Discussion of Applicable Law

In determining Ms. Aldridge's fitness for licensure, it is necessary to apply and weigh the factors from Texas Occupations Code §§ 53.022 and 53.023. The proposal for decision correctly notes applicability of these statutes, and it also correctly states that Texas Occupations Code §§ 53.022 and 53.023 were revised effective September 1, 2019. However, the proposal for decision also states, "Subsection (h) of Rule 1.502

COMMISSIONER'S ORDER
TDI v. Tori Elyse Aldridge
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explicitly incorporates the substance and wording of Texas Occupations Code §§ 53.022 and 53.023, as revised and in effect as of September 1, 2019." The proposal for decision lists the factors as included in 28 Texas Administrative Code § 1.502(h), and indicates that these are the current factors in Texas Occupations Code §§ 53.022 and 53.023.

This statement regarding 28 Texas Administrative Code § 1.502 and Texas Occupations Code §§ 53.022 and 53.023 is not correct. As of the date the proposal for decision was issued, 28 Texas Administrative Code § 1.502 had not been updated to reflect the 2019 revisions to Texas Occupations Code §§ 53.022 and 53.023.

Nevertheless, the misstatement regarding 28 Texas Administrative Code § 1.502 and Texas Occupations Code §§ 53.022 and 53.023 does not impact the findings of fact or conclusions of law or the resolution suggested by the administrative law judge, so this order does not change the findings or conclusions, and it adopts the administrative law judge's recommendation.

Findings of Fact

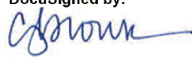
The findings of fact contained in Exhibit A are adopted by the commissioner and incorporated by reference into this order.

Conclusions of Law

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

Order

It is ordered that Tori Elyse Aldridge's application for a permanent life agent license is denied.

DocuSigned by:

FC5D7EDDFFB4F8... _____
Cassie Brown
Commissioner of Insurance

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Recommended and reviewed by:

DocuSigned by:
Jessica Barta
5DAC5618BBC74D4...

Jessica Barta, General Counsel

DocuSigned by:
Kara Salmanson
FF3AA2D322B54CD...

Kara Salmanson, Attorney

2023-7982

FILED
454-21-2362
2/24/2022 5:02 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Giselle Quintero, CLERK



ACCEPTED
454-21-2362
2/24/2022 5:05:16 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Giselle Quintero, CLERK

State Office of Administrative Hearings

Kristofer S. Monson
Chief Administrative Law Judge

Exhibit A

February 24, 2022

Chief Clerk for Cassie Brown
Commissioner of Insurance
Texas Department of Insurance
333 Guadalupe, Tower 1, 13th Floor, Mail Code 113-2A
Austin, TX 78714

VIA E-FILE TEXAS

**RE: Docket No. 454-21-2362.C; Texas Department of Insurance
v. Tori Elyse Aldridge**

Dear Commissioner Brown:

On January 18, 2022, the undersigned Administrative Law Judge (ALJ) issued a Proposal for Decision (PFD) in this case. On February 2, 2022, Staff filed exceptions to the PFD requesting that the citation to Texas Insurance Code § 2652.001 be changed to the version in place prior to 2015 because Respondent violated the statute prior to the enactment of the legislative changes. Respondent did not file a response. The ALJ agrees with Staff's exception and has corrected the PFD regarding citations to Texas Insurance Code § 2652.001. This change does not constitute a substantive amendment that would afford the parties an opportunity to file exceptions.

A copy of the Corrected PFD is enclosed. The ALJ recommends that the Corrected PFD be adopted as written.

Sincerely,

Keneshia Washington
Administrative Law Judge

KW/np
Enclosure

xc: Stephanie Andrews, Texas Department of Insurance, 333 Guadalupe, Tower 1, 13th Floor,
Austin, Texas 78701 - **VIA E-FILE TEXAS**
Chief Clerk, Texas Department of Insurance, 333 Guadalupe, Tower I, Suite 1300D,
Austin, Texas 78701 - **VIA E-FILE TEXAS**
Tori Elyse Aldridge, [REDACTED] Denton, TX 76208 - **VIA E-FILE TEXAS**

**SOAH DOCKET NO. 454-21-2362.C
TDI ENFORCEMENT FILE NO. 26302**

TEXAS DEPARTMENT OF INSURANCE,	§	BEFORE THE STATE OFFICE
Petitioner	§	
	§	
v.	§	OF
	§	
TORI ELYSE ALDRIDGE,	§	
Respondent	§	ADMINISTRATIVE HEARINGS

CORRECTED PROPOSAL FOR DECISION

The staff (Staff) of the Texas Department of Insurance (Department) seeks to deny the application of Tori Elyse Aldridge (Respondent) for a permanent life agent license based on Respondent’s criminal history and prior fraudulent or dishonest acts. After considering the evidence and the applicable law, the Administrative Law Judge (ALJ) finds that Staff met its burden of proof and recommends that the Department deny Respondent’s license application.

I. PROCEDURAL HISTORY, NOTICE, AND JURISDICTION

The hearing on the merits was held via Zoom videoconferencing on November 18, 2021, before ALJ Keneshia Washington. Staff was represented by attorneys Stephanie Andrews and Stephanie Daniels, and Respondent represented herself. The hearing concluded that same day. Lorrie A. Schnoor, RDR, CRR, Certified Shorthand Reporter, prepared a transcript, which is the official record of the hearing.¹ The record closed at the conclusion of the hearing.

Notice and jurisdiction were not disputed and are, therefore, addressed solely in the Findings of Fact and Conclusions of Law below.

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

II. DISCUSSION

A. Allegations and Relevant Licensing Law

Staff contends the Department may deny Respondent's license application² because she (1) willfully violated an insurance law of this state;³ (2) engaged in fraudulent or dishonest acts or practices;⁴ and (3) was convicted of a felony.⁵ Texas Occupations Code § 53.021(a) also authorizes a licensing authority, such as the Department, to deny licensure on the grounds that a person has been convicted of a crime that includes, "an offense that directly relates to the duties and responsibilities of the licensed occupation."⁶ Whether an offense is "directly related to the duties and responsibilities of the licensed occupation" under § 53.021(a) is to be analyzed in light of the factors prescribed in Texas Occupations Code § 53.022. Texas Occupations Code § 53.023 then prescribes additional factors, in the nature of mitigating circumstances and other considerations that may bear upon the individual's fitness for licensure despite having a criminal history, that the licensing authority must weigh in its ultimate determination to deny or approve licensure in light of the applicant's criminal history.

The Department's rule governing "Licensing Persons With Criminal Backgrounds," codified at 28 Texas Administrative Code (Rule) § 1.502,⁷ incorporates a version of the Texas Occupations Code §§ 53.022 and 53.023 analyses. Rule 1.502(h) requires the Department to "consider the factors specified in Texas Occupations Code §§ 53.022 and 53.023 in determining

² Staff Ex. 2 at 8-10.

³ Tex. Ins. Code § 4005.101(b)(1) ("The department may deny a license application . . . if the department determines that the applicant . . . has willfully violated an insurance law of this state.").

⁴ *Id.* § 4005.101(b)(5) ("The department may deny a license application . . . if the department determines that the applicant . . . has engaged in fraudulent or dishonest acts of practices.").

⁵ *Id.* § 4005.101(b)(8) ("The department may deny a license application . . . if the department determines that the applicant . . . has been convicted of a felony.").

⁶ Tex. Occ. Code § 53.021(a)(1); *see also id.* § 53.0211 (generally requiring that, "[n]otwithstanding any [other] law" "a licensing authority shall issue to an otherwise qualified applicant" either the license for which the applicant applied or a provisional license, despite criminal history, "unless the applicant has been convicted of an offense described by Section 53.021(a)").

⁷ 28 Tex. Admin. Code § 1.502. For ease of reference, a rule found in title 28 of the Texas Administrative Code will be referred to as "Rule ____."

whether to grant, deny, suspend, or revoke any license or authorization under its jurisdiction.” Rule 1.502(f) further states:

The Department shall not issue a license or authorization if an applicant has committed a felony or misdemeanor, or engaged fraudulent or dishonest activity that directly relates to the duties and responsibilities of the licensed occupation unless the commissioner [of insurance] finds that the matters set out in subsection (h) of this [rule] outweigh the serious nature of the criminal offense when viewed in light of the occupation being licensed.

Subsection (h) of Rule 1.502 explicitly incorporates the substance and wording of Texas Occupations Code §§ 53.022 and 53.023, as revised and in effect as of September 1, 2019, which states:

- (1) In determining whether a criminal offense directly relates to the duties and responsibilities of the licensed occupation, the department shall consider the following factors:
 - (A) the nature and seriousness of the crime;
 - (B) the relationship of the crime to the purposes for requiring a license to engage in the occupation;
 - (C) the extent to which a license might offer an opportunity to engage in further criminal activity of the same type as that in which the person previously had been involved; and
 - (D) the relationship of the crime to the ability, capacity, or fitness required to perform the duties and discharge the responsibilities of the licensed occupation.

- (2) In addition to the factors listed in paragraph (1) of this subsection the department shall consider the following evidence in determining the fitness to perform the duties and discharge the responsibilities of the licensed occupation of a person who has committed a crime:
 - (A) the extent and nature of the person’s past criminal activity;
 - (B) the age of the person when the crime was committed;

- (C) the amount of time that has elapsed since the person's last criminal activity;
 - (D) the conduct and work activity of the person prior to and following the criminal activity;
 - (E) evidence of the person's rehabilitation or rehabilitative effort while incarcerated or following release;
 - (F) other evidence of the person's present fitness, including letters of recommendation
 - (G) In addition to the factors and evidence listed in paragraphs (1) and (2) of this subsection, an applicant or license or authorization holder shall also furnish proof that the applicant or holder has:
 - (i) maintained a record of steady employment;
 - (ii) supported the applicant's or holder's dependents where applicable;
 - (iii) otherwise maintained a record of good conduct; and
 - (iv) paid all outstanding court costs, supervision fees, fines, and restitution as may have been ordered in all criminal cases in which the applicant or holder has been convicted.
- (3) It shall be the responsibility of the applicant . . . to the extent possible to secure and provide to the commissioner the information required by paragraph (2) of this subsection.

The analysis performed under Rule 1.502(h) and Texas Occupations Code §§ 53.022 and 53.023 must also take account of certain "guideline" crimes, identified in Rule 1.502(e), that the Department "considers to be of such serious nature that they are of prime importance in determining fitness for licensure or authorization."⁸ Staff alleges Respondent's offenses fall under the "guideline" crimes⁹ because they were "offense[s] for which fraud, dishonesty, or deceit is an

⁸ Rule 1.502(e); *see* Tex. Occ. Code § 53.025 (requiring licensing authorities to publish "guidelines relating to [their] practice . . . under [Occupations Code chapter 53]," which "must state the reasons a particular crime is considered to relate to a particular license and any other criterion that affects the decisions of the licensing authority").

⁹ Staff Ex. 1 at 8.

essential element.”¹⁰ Rule 1.502 also emphasizes that the Department “considers it very important that license and authorization holders and applicants . . . be honest, trustworthy, and reliable.”¹¹

Staff bears the burden of proving its alleged grounds for denying Respondent’s license application, while Respondent has the burden to prove her fitness to be licensed despite the existence of any such grounds.¹² The standard of proof is by a preponderance of the evidence.¹³

B. Evidence

Staff presented the testimony of Lewis Weldon Wright, IV and introduced the following exhibits, which were admitted into evidence without objection:

1. Notice of Hearing;
2. Original Petition;
3. Response to Notice of Hearing and Original Petition;
4. Order No. 1 Setting Hearing by Videoconference and Requiring Filings;
5. Application File for Respondent;
6. Agent and Adjuster License Individual Inquiry Report for Respondent; and
7. Indictment, United States’ Trial Memorandum Jury Verdict, Order of Forfeiture, Memorandum Opinion and Order, Judgment in a Criminal Case, Amended Judgment in a Criminal Case, and additional case filings from the United States District Court for the Southern District of Texas, Houston Division, Case Number 4:10CR00185-002.

¹⁰ Rule 1.502(e)(1).

¹¹ Rule 1.502(c).

¹² See Tex. Ins. Code § 4005.101(b)(2), (3), (5), (8); Tex. Occ. Code §§ 53.0021(a), (d), .211(b), .022, .023; 1 Tex. Admin. Code § 155.427; Rule 1.502(h)(3).

¹³ 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)).

Respondent testified on her own behalf and relied on Staff's exhibits, specifically the documents in Exhibit 3. Respondent did not offer any additional documentary exhibits.

1. Respondent's Criminal History

On or about January 26, 2011, a jury found Respondent guilty of one count of conspiracy to commit wire fraud and mail fraud in violation of 18 U.S.C. §§ 1341, 1343, and 1349, eleven counts of aiding and abetting wire fraud and mail fraud in violation of 18 U.S.C. §§ 2 and 1343, one count of conspiracy to commit money laundering in violation of 18 U.S.C. § 1956(h), and six counts of aiding and abetting money laundering in violation of 18 U.S.C. §§ 2 and 1957.¹⁴ The mortgage scheme for the underlying convictions occurred from about August 2004 through June 2005.¹⁵ Respondent, her husband, a co-defendant, and other individuals were alleged to engage in a scheme to sell newly constructed townhouses in the Memorial Park area of Houston, Texas. The scheme is summarized as follows:¹⁶

Respondent and her husband recruited three "straw purchasers" to buy eight townhomes. Respondent's husband purchased the ninth. Respondent and her husband told the straw purchasers that they would receive \$10,000 for each property purchased, that they would not have to pay the mortgages because tenants would be found to lease the properties, and that after approximately one year the residences would be resold and the straw purchasers might then receive additional money. The straw purchasers provided Respondent and her husband with their respective names, social security numbers, and income information. Respondent and her husband then used this information, combined with falsified information about income, assets, and intent to use the property as a primary residence, to submit fraudulent loan applications to lenders. Respondent and her husband would then obtain 100% financing. The co-defendant who was 50% owner of the

¹⁴ Staff Ex. 7 at 178–182, 250–251.

¹⁵ Staff Ex. 7 at 154.

¹⁶ The following summary of facts is based on the summary of undisputed facts in the Memorandum Opinion and Order issued by United States District Judge Sim Lake on August 12, 2015, in *United States of America v. Vincent Wallace Aldridge and Tori Elyse Aldridge*, United States District Court for the Southern District of Texas. Staff Ex. 7 at 394–396.

builder of the housing development inflated the sale price of the properties through falsified construction invoices and amendments to the sale contracts. The lenders approved purchase loans based on the inflated prices. The lenders wired the loan amounts to a title company and Respondent's husband, which made disbursements to the co-defendant, the law firm of Respondent's husband, and a construction company owned by Respondent and her husband.

On or about March 22, 2012, Respondent was sentenced to 63 months confinement in the United States Bureau of Prisons followed by three years of supervised release.¹⁷ During her supervised release, Respondent was prohibited from employment or acting in a fiduciary role during the term of supervision.¹⁸ Respondent was also required to provide the probation officer access to any requested financial information.¹⁹ While a restitution amount was imposed, Respondent was prohibited from incurring new credit charges or opening additional lines of credit without approval of the probation officer.²⁰ Moreover, Respondent was prohibited from possessing a credit access device, such as a credit card, unless first authorized by the probation officer.²¹ Respondent was ordered to pay restitution to multiple parties totaling \$677,765.98.²² After assessing Respondent's ability to pay, payment of the total criminal monetary penalties was to be paid via lump sum payment of \$1,900 with the balance due in payments of 50% of any wages earned while in prison and, after release, equal monthly installments of \$150.²³

On or about August 3, 2017, Respondent was released from confinement, and her term of supervised release began.²⁴ On March 2, 2018, a United States probation officer issued a Report on Offender Under Supervision, noting that Respondent failed to make payments in the obligatory

¹⁷ Staff Ex. 7 at 258–262.

¹⁸ Staff Ex. 7 at 254.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

²² Staff Ex. 7 at 263–264.

²³ *Id.*

²⁴ Staff Ex. 7 at 508.

amount of \$150 but made consistent payments of \$25.²⁵ Respondent was gainfully employed at the time of the report, earning a monthly income.²⁶ The probation officer recommended that no action be taken at the time while her office investigated whether Respondent had the means to pay more toward restitution. The probation officer issued a follow-up report on October 11, 2018, and found that Respondent violated the following special conditions imposed on her during supervised release: failure to pay \$150 monthly installments; failure to provide access to any requested financial information; incurring new credit charges or opening additional lines of credit without prior approval from the probation officer; and possessing a credit access device, such as a credit card, without authorization from the probation officer.²⁷ The probation officer also found that Respondent became unemployed without providing the officer with notification.²⁸

According to a 2017 Federal Income Tax Return for Respondent and her husband, they reported gross income of \$37,757 with deductions totaling \$17,005. They also indicated that they contributed approximately 25% of their yearly income to charity. According to Respondent's bank statements, she spent \$90 at Starbucks from March 26, 2018, through April 9, 2018, which is more than the \$25 that she was paying toward restitution. Furthermore, Respondent and her husband owned a home from which they receive rental income. The probation officer also indicated that Respondent's husband was resistant toward the idea that any proceeds from a potential sale of that home would go toward restitution. Respondent informed the probation officer that she invested \$5,000 in starting her own business involving online coaching on how to expand small business and non-profit organizations, with \$1,000 from a line of credit that she had obtained without prior authorization.²⁹ The report also noted that Respondent had recent missed payments, and explained to the probation officer that she refused to pay since her husband's income was garnished. The probation officer requested that the district court issue a summons for Respondent to appear to

²⁵ Staff Ex. 7 at 509.

²⁶ *Id.*

²⁷ Staff Ex. 7 at 533–534.

²⁸ Staff Ex. 7 at 534–536.

²⁹ *See also* Tr. at 23 (Respondent confirmed that she made a \$5,000 payment to a company called Clients on Demand.)

show cause regarding her underpayments of restitution and her ability to pay. Respondent's term of federal supervision expired as of August 2, 2020.

No evidence was offered to show that Respondent had any prior criminal history before the underlying convictions for this matter or that she has committed any criminal offenses since.

2. Testimony of Lewis Weldon Wright, IV

Before beginning employment with the Department, Mr. Wright worked as an insurance agent for a major carrier in the Central Texas area for approximately twelve years.³⁰ Mr. Wright's role was as a general lines agent with qualifications in the life accident, health, as well as property and casualty areas.³¹ Mr. Wright is the administrator review liaison to the Enforcement Division.³² In this role, Mr. Wright serves as the primary contract between the Enforcement Division and the Agent and Adjuster Licensing office.³³ The Agent and Adjuster Licensing office is tasked with reviewing applications for licensure, granting licensure, or denying licensure or analyzing any reports of misconduct regarding any of the Department's license holders.³⁴ Mr. Wright described that the Department expects honesty, trustworthiness, and reliability from its agents.³⁵ Mr. Wright described that all of the counts for which Respondent was found guilty were financial in nature and involved deception; and, if Respondent were to be granted a license, she would have the opportunity to influence the financial decisions of policy holders as well as the opportunity to engage in financial crimes again.³⁶ Mr. Wright explained that the primary responsibility of a life agent is to solicit insurance products related to the protection of life to the general public.³⁷ He explained that the agent must obtain reliable, accurate information so that a carrier can feel

³⁰ *Id.*

³¹ *Id.*

³² Tr. at 27.

³³ *Id.*

³⁴ Tr. at 27–28.

³⁵ Tr. at 31.

³⁶ Tr. at 33–40.

³⁷ Tr. at 40.

confident that they are issuing proper coverage for a risk that is properly rated; therefore, it is paramount that there be transparency, completeness, accuracy, and trust in the agent.³⁸

Mr. Wright further explained that when reviewing Respondent's application, he considered the financial nature of the mortgage scheme, Respondent's age at the time of the scheme, the amount of time that had elapsed since the mortgage scheme, the amount of time between the end of Respondent's supervised release and the filing of her application, Respondents conduct and work activity prior to and after imprisonment, letters of recommendation, and other information regarding Respondent's fitness to be issued a life agent license.³⁹ Mr. Wright also considered the report by the probation officer during Respondent's supervised released.⁴⁰ Mr. Wright stated that, given the totality of the information and documentation available, it was the Department's position that Respondent's application for a life agent license should be denied.⁴¹

3. Testimony of Respondent

Respondent testified that while growing up and all the way to the present day, she has been engaged in volunteer and service activities within her community.⁴² Respondent studied finance at the University of Texas at Austin and served with the multi-cultural information center.⁴³ Respondent held an escrow officer license through a title company from April 22, 2004, until it was cancelled on August 23, 2005.⁴⁴ Respondent noted that she worked as an escrow officer for Vision Title and Centex Title in 2005 and 2006⁴⁵ even though she did not have a valid escrow officer license at the time.⁴⁶ She explained that in mortgage transactions, an escrow officer receives

³⁸ Tr. at 40–41.

³⁹ Tr. at 42–47.

⁴⁰ Tr. at 53–54. *See also* Staff Ex. 7 at 533–536.

⁴¹ Tr. at 55.

⁴² Tr. at 103 – 104.

⁴³ Tr. at 103.

⁴⁴ Staff Ex. 5 at 126; Tr. at 12.

⁴⁵ Tr. at 136 – 137.

⁴⁶ Staff Ex. 6 at 127.

funds, prepares a statement of the transaction, and facilitates the closing of that transaction for the buyer and seller.⁴⁷

Respondent testified that she believes that her actions have been conflated with those of her husband. Specifically, she noted that her husband made a \$3,000 down payment for a BMW.⁴⁸ While on supervised release, Respondent paid \$85 per month to LinkedIn for a period of time.⁴⁹ Respondent explained that her purchases from Starbucks and LinkedIn were expenses as part of her previous employment from February to November 2017 with Kemp & Sons as a receptionist for \$11 per hour.⁵⁰ Respondent testified that, while at Kemp & Sons, she was handling funds of the company, depositing large checks worth tens of thousands and even hundreds of thousands of dollars into their bank account.⁵¹ She also testified that she was responsible for billing clients and monitoring contracts.⁵² Respondent testified that she currently works as a teacher, which is the first professional job that she has had since her release from prison.⁵³ Respondent filed an application with the Department for a temporary life agent license on August 5, 2020.⁵⁴ On October 28, 2020, Respondent withdrew her application for a temporary license and converted it to an application for a permanent life agent license.⁵⁵ According to Respondent, she had rehabilitated herself based on the certifications that she earned while incarcerated and her service to the community.⁵⁶ Specifically, while incarcerated, Respondent earned several certifications related to areas such as teaching, victims of sexual abuse, parenting skills, child development, sexual harassment claims in the workplace, and active shooter scenarios in schools.⁵⁷

⁴⁷ Tr. at 12.

⁴⁸ Tr. at 119.

⁴⁹ Tr. at 23.

⁵⁰ Tr. at 120 and 121.

⁵¹ Tr. at 121.

⁵² *Id.*

⁵³ Tr. at 14 and 111.

⁵⁴ Staff Ex. 5 at 119.

⁵⁵ Staff Ex. 5 at 54.

⁵⁶ Tr. at 127 and 128.

⁵⁷ Tr. at 14 and 15. *See also* Staff Ex. 3 at 018 – 022, 029 – 041.

C. Analysis and Recommendation

The ALJ finds that the Department established by a preponderance of the evidence that Respondent's application should be denied based on her criminal history. In addition, Respondent did not meet her burden to prove she was currently fit to receive a permanent life agent license. Accordingly, the ALJ recommends that Respondent's application for a life agent license be denied.

It is undisputed that on or about January 26, 2011, a jury found Respondent guilty of 19 different counts relating to conspiracy and aiding and abetting wire fraud, mail fraud, and money laundering. Respondent was sentenced to 63 months in prison, three years of supervised release, and the imposition of restitution payments of over \$670,000. Several special conditions were imposed upon Respondent during her supervised release, and the evidence demonstrated that Respondent did not comply with those conditions. The above-listed federal crimes, for which Respondent was convicted, constitute fraudulent and dishonest acts, which support denial of Respondent's application under Texas Insurance Code § 4005.101(b)(5). Furthermore, several of the federal crimes constitute felonies according to the sentencing classification of offenses under 18 U.S.C. § 3559(a). A felony conviction is a ground for denial of a license application under Texas Insurance Code § 4005.101(b)(8).

Furthermore, an individual may not act as an escrow officer unless the individual holds a license issued by the Department and maintains a surety bond or deposit.⁵⁸ However, Respondent admitted she worked as an escrow officer for Vision Title in 2006 even though she did not have a valid escrow officer license at the time. Therefore, her actions constituted the violation of an insurance law, which can serve as the basis of a license application denial under Texas Insurance Code § 4005.101(b)(1).

⁵⁸ 11 Tex. Ins. Code § 2652.001 (This citation is to the version of Section 2652.001 in effect from April 1, 2005, through August 31, 2015.).

The nature and seriousness of Respondent's crimes must be considered.⁵⁹ Deceit and dishonesty are at the core of each count for which Respondent was found guilty. Rule 1.502(c) notes that license holders must be honest, trustworthy, and reliable, but Respondent's crimes were felonies involving moral turpitude and represent a breach of Respondent's fiduciary duties as an escrow license holder. Respondent's betrayal of the trust that her clients placed in her contradicts the purpose for requiring a license to hold a life agent license.⁶⁰ The dishonesty required to commit the crimes indicates that Respondent is not fit to uphold the fiduciary duties of a life agent license holder.⁶¹ Furthermore, Respondent's husband, to whom she is still married, was a co-defendant and co-conspirator in the crimes for which Respondent was convicted. The foundation of the crimes was a mortgage and lending scheme. Respondent and her husband still co-own a home from which they receive rental income. Granting a life agent license to Respondent, while she remains married to a co-conspirator and while she is admittedly still engaged in the real estate business, presents the opportunity for Respondent to engage in the same type of crimes.⁶²

Respondent contends that the factors in Rule 1.502(h)(2) establish that she has been rehabilitated and is currently fit to perform the duties and discharge the responsibilities of a life agent license holder. Specifically, she has no criminal activity prior to the mortgage scheme underlying the crimes for which she was convicted,⁶³ and over 15 years have elapsed since

⁵⁹ Rule 1.502(h)(1)(A) ("In determining whether a criminal offense directly relates to the duties and responsibilities of the licensed occupation, the department shall consider... the nature and seriousness of the crime.").

⁶⁰ Rule 1.502(h)(1)(B) ("In determining whether a criminal offense directly relates to the duties and responsibilities of the licensed occupation, the department shall consider . . . the relationship of the crime to the purposes for requiring a license to engage in the occupation.").

⁶¹ Rule 1.502(h)(1)(D) ("In determining whether a criminal offense directly relates to the duties and responsibilities of the licensed occupation, the department shall consider.... the relationship of the crime to the ability, capacity, or fitness required to perform the duties and discharge the responsibilities of the licensed occupation.").

⁶² Rule 1.502(h)(1)(C) ("In determining whether a criminal offense directly relates to the duties and responsibilities of the licensed occupation, the department shall consider . . . the extent to which a license might offer an opportunity to engage in further criminal activity of the same type as that in which the person previously had been involved.").

⁶³ Rule 1.502(h)(2)(A) (in determining the fitness to perform the duties and discharge the responsibilities of the licensed occupation of a person who has committed a crime the Department shall consider the extent and nature of the person's past criminal activity).

Respondent's last criminal activity.⁶⁴ While incarcerated, Respondent earned several certifications. Moreover, Respondent has presented character references from friends, individuals involved in her community service work, and an individual who sponsored her temporary life insurance license application.⁶⁵ Respondent has also refrained from committing any crimes since her release from incarceration.⁶⁶

However, there are other factors that must be considered that do not support a finding that Respondent is fit to perform the duties of a life agent license holder. Respondent was in her late 20s at the time of the mortgage scheme,⁶⁷ indicating that youthful immaturity is not a mitigative factor regarding her crimes. Furthermore, Respondent performed work as an escrow agent without a license soon after engaging in the mortgage scheme.⁶⁸ While on supervised release after her incarceration, she failed to comply with the required monthly restitution payments, the prohibition on securing credit without prior authorization, and the requirement to alert her probation officer regarding changes in her employment status. Respondent also failed to minimize nonessential expenditures to facilitate restitution payments. Moreover, Respondent has not maintained a record of steady employment.⁶⁹ Respondent's failure to follow the rules imposed by the Department and the district court prior to and after her incarceration raises serious doubts regarding Respondent's willingness to abide by the Department's rules if she were to be granted a life agent license. The ALJ concludes that the evidence regarding Respondent's current fitness for licensure does not

⁶⁴ Rule 1.502(h)(2)(C) (in determining the fitness to perform the duties and discharge the responsibilities of the licensed occupation of a person who has committed a crime the Department shall consider the amount of time that has elapsed since the person's last criminal activity).

⁶⁵ Rule 1.502(h)(2)(F)(iii) (in determining the fitness to perform the duties and discharge the responsibilities of the licensed occupation of a person who has committed a crime the Department shall consider letters of recommendation from any other persons in contact with the applicant).

⁶⁶ Rule 1.502(h)(2)(G)(iii) (“[A]n applicant or license or authorization holder shall also furnish proof that the applicant or holder has . . . otherwise maintained a record of good conduct.”).

⁶⁷ Rule 1.502(h)(2)(B) (in determining the fitness to perform the duties and discharge the responsibilities of the licensed occupation of a person who has committed a crime the Department shall consider the age of the person when the crime was committed).

⁶⁸ Rule 1.502(h)(2)(D) (in determining the fitness to perform the duties and discharge the responsibilities of the licensed occupation of a person who has committed a crime the Department shall consider the age of the person when the crime was committed).

⁶⁹ Rule 1.502(h)(2)(G)(i) (“[A]n applicant or license or authorization holder shall also furnish proof that the applicant or holder has . . . otherwise maintained a record of steady employment.”).

outweigh the serious nature of her offense when viewed in light of the potential occupation being licensed. Accordingly, the ALJ recommends Respondent's license application should be denied. In support of the recommendation, the ALJ issues the following findings of fact and conclusions of law.

III. FINDINGS OF FACT

1. On August 5, 2020, Tori Elyse Aldridge (Respondent) applied to the Texas Department of Insurance (Department) for a temporary life agent license.
2. On October 28, 2020, Respondent withdrew her application for a temporary license and converted it to an application for a permanent life agent license. In the same letter, Respondent requested a hearing.
3. On October 29, 2020, the Department staff (Staff) proposed to deny Respondent's application and notified her of her right to a hearing before the State Office of Administrative Hearings (SOAH).
4. On May 19, 2021, Staff issued a notice of hearing to Respondent, which attached and incorporated by reference its petition in the case. Respondent filed a responsive pleading on June 11, 2021. The notice of hearing, petition, and SOAH Order No. 1 contained 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 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.
5. On June 14, 2021, the SOAH Administrative Law Judge (ALJ) issued Order No. 1, which specified that the hearing would be held via the Zoom videoconferencing platform and provided the applicable log-in information.
6. The hearing was held via the Zoom videoconferencing platform on November 18, 2021, before ALJ Keneshia Washington. Staff was represented by attorneys Stephanie Andrews and Stephanie Daniels. Respondent represented herself. The hearing concluded and the record closed on the same day.
7. Respondent held an escrow officer license through a title company from April 22, 2004, until it was cancelled on August 23, 2005. Respondent worked as an escrow officer for Vision Title and Centex Title in 2005 and 2006 even though she did not have a valid escrow officer license at the time.

8. From August 2004 through June 2005, Respondent, her husband, a co-defendant, and other individuals engaged in an illegal mortgage scheme to sell newly constructed townhouses in Houston. The scheme involved submission of fraudulent loan applications to lenders, which permitted Respondent and her husband to obtain 100% financing.
9. On or about January 26, 2011, a jury found Respondent guilty of one count of conspiracy to commit wire fraud and mail fraud in violation of 18 U.S.C. §§ 1341, 1343, and 1349, eleven counts of aiding and abetting wire fraud and mail fraud in violation of 18 U.S.C. §§ 2 and 1343, one count of conspiracy to commit money laundering in violation of 18 U.S.C. § 1956(h), and six counts of aiding and abetting money laundering in violation of 18 U.S.C. §§ 2 and 1957.
10. On or about March 22, 2012, Respondent was sentenced to 63 months confinement in the United States Bureau of Prisons followed by three years of supervised release. During her supervised release, Respondent was prohibited from employment or acting in a fiduciary role during the term of supervision. Respondent was also required to provide the probation officer access to any requested financial information. Respondent was prohibited from incurring new credit charges or opening additional lines of credit without approval of the probation officer. Respondent was also prohibited from possessing a credit access device, such as a credit card, unless first authorized by the probation officer.
11. Respondent was ordered to pay restitution to multiple parties totaling \$677,765.98. Having assessed Respondent's ability to pay, payment of the total criminal monetary penalties was due as a lump sum payment of \$1,900 with the balance due in payments of 50% of any wages earned while in prison and, after release, equal monthly installments of \$150.
12. While incarcerated, Respondent earned several certifications related to areas such as teaching, victims of sexual abuse, parenting skills, child development, sexual harassment claims in the workplace, and active shooter scenarios in schools.
13. On or about August 3, 2017, Respondent was released from confinement, and her term of supervised release began. On March 2, 2018, a United States probation officer issued a Report on Offender Under Supervision. The probation officer noted that Respondent failed to make payments in the obligatory amount of \$150 but made consistent payments of \$25. Respondent was gainfully employed at the time of the report, earning a monthly income. The probation officer recommended that no action be taken at the time while her office investigated whether Respondent had the means to pay more toward restitution.
14. The probation officer issued a follow-up report on October 11, 2018, and found that Respondent violated the following special conditions imposed on her during supervised release: failure to pay \$150 monthly installments; failure to provide access to any requested financial information; incurring new credit charges or opening additional lines of credit without prior approval from the probation officer; and possessing a credit access device, such as a credit card, without authorization from the probation officer. Respondent worked for Kemp & Sons as a receptionist for \$11 per hour. The probation officer found that Respondent became unemployed without providing the officer with notification.

15. According to the 2017 Federal Income Tax Return for Respondent and her husband, they reported gross income of \$37,757 with deductions totaling \$17,005. They contributed approximately 25% of their yearly income to charity. According to Respondent's bank statements, she spent \$90 at Starbucks from March 26, 2018, through April 9, 2018, which is more than the \$25 that she was paying toward restitution. Respondent and her husband own a home from which they receive rental income.
16. Respondent invested \$5,000 in starting her own business involving online coaching on how to expand small business and non-profit organizations, which included \$1,000 she obtained from a line of credit for which she did not obtain prior authorization to procure. Respondent had missed payments and explained to the probation officer that she refused to pay since her husband's income was recently garnished. The probation officer requested that the court issue a summons for Respondent to appear to show cause regarding her underpayments of restitution and her ability to pay.
17. Respondent's term of federal supervision expired as of August 2, 2020. Respondent did not have any prior criminal history before the underlying convictions for this matter and had not committed any criminal offenses since.
18. Respondent now works as a teacher, which is the first professional job that she has had since her release from prison.
19. Respondent's crimes were facilitated by the access, opportunity, and trust afforded to her by virtue of her position as an escrow license holder.
20. In committing the offenses, Respondent engaged in fraudulent or dishonest acts or practices.
21. Respondent submitted her application to the Department less than five years after being discharged from community supervision.
22. Respondent's crime was a serious, felony-level offense that involved her misuse of the personal and financial information of individuals. Respondent would have access to that type of financial information, and more, for all of her clients if she were licensed as a life agent.
23. Employment of Respondent as a life agent license holder would create a situation in which she would have an increased opportunity to repeat the prohibited conduct.
24. Respondent's crimes reflect adversely upon her ability, capacity, or fitness to perform the duties and discharge the responsibilities of life agent.
25. Respondent's crimes directly related to the duties and responsibilities of a life agent.

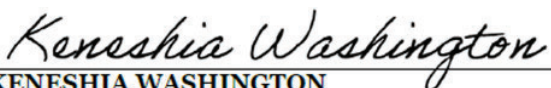
26. Aside from the proceeding concerning her fraudulent mortgage scheme offenses, there was no evidence of any other criminal proceedings against Respondent.
27. Respondent was in her late twenties when she committed the offenses.
28. Respondent committed the crimes over fifteen years before submitting her application with the Department, and approximately seventeen years before the hearing convened.
29. Respondent did not provide evidence that she has had steady work since being released from confinement.
30. Respondent submitted reference letters from four individuals, one of whom was a sponsor for Respondent's now withdrawn application for a temporary life agent license. The other individuals indicated that Respondent is kind-hearted, bright, and service-oriented.
31. Respondent is not presently fit to hold a life agent license.

IV. CONCLUSIONS OF LAW

1. The Commissioner of Insurance and the Department have jurisdiction over this matter. Tex. Ins. Code §§ 4005.101, .102; Tex. Occ. Code §§ 53.021-.023.
2. SOAH has authority to hear this matter and 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. Respondent received timely and sufficient notice of hearing. Tex. Gov't Code ch. 2001; Tex. Ins. Code § 4005.104(b).
4. The Department may deny a license application if the applicant has willfully violated an insurance law of this state. Tex. Ins. Code § 4005.101(b)(1).
5. An individual may not act as an escrow officer unless the individual holds a license issued by the Department and maintains a surety bond or deposit. Tex. Ins. Code § 2652.001 (effective April 1, 2005, through August 31, 2015).
6. The Department may deny a license application if the applicant has engaged in fraudulent or dishonest acts or practices. Tex. Ins. Code § 4005.101(b)(5).
7. The Department may deny a license application if the applicant has been convicted of a felony. Tex. Ins. Code § 4005.101(b)(8).
8. The Department may deny a license application if the applicant has been convicted of an offense that directly relates to the duties and responsibilities of the licensed occupation. Tex. Occ. Code § 53.021(a)(1).

9. The Department considers the factors specified in Texas Occupations Code §§ 53.022 and 53.023 in determining whether to grant or deny any license under its jurisdiction. Tex. Occ. Code §§ 53.022-.23; 28 Tex. Adm. Code § 1.502(h).
10. Staff has the burden to prove by a preponderance of the evidence its alleged grounds to deny Respondent's license application, while Respondent has the burden to prove by a preponderance of the evidence that she is fit to perform the duties and discharge the responsibilities of an insurance agent despite her criminal history. *See* Tex. Ins. Code § 4005.101(b); Tex. Occ. Code §§ 53.021, .0211(b), .022 & .023; 1 Tex. Admin. Code § 155.427; 28 Tex. Admin. Code § 1.502(h).
11. Respondent's offenses are types of offenses that the Department considers to be of such serious nature that it is of prime importance in determining fitness for licensure. 28 Tex. Admin. Code § 1.502(e)(1); *see* Tex. Occ. Code § 53.025.
12. Staff met its burden to prove that Respondent willfully violated an insurance law of this state; engaged in dishonest acts or practices; was convicted of a felony, and the acts and the offense were "directly related" to the duties and responsibilities of the licensed occupation. *See* Tex. Ins. Code § 4005.101(b)(1), (5), (8); Tex. Occ. Code §§ 53.021(a), .022; 28 Tex. Admin. Code § 1.502(h)(1).
13. Respondent did not meet her burden to prove that she is presently fit to perform the duties and discharge the responsibilities of the licensed occupation despite her criminal history. Tex. Occ. Code § 53.023; 28 Tex. Admin. Code § 1.502(d), (h)(2)-(3).
14. Respondent's license application should be denied.

SIGNED February 24, 2022.


KENESHIA WASHINGTON
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS