

No. 2021-6895

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

**Date: 07/02/2021**

**Subject Considered:**

Texas Department of Insurance  
v.  
Kairodsha Rulai Perkins and Royalty Trinity Insurance Agency, LLC

SOAH Docket No. 454-19-4250.C

**General remarks and official action taken:**

The subjects of this order are Kairodsha Rulai Perkins and Royalty Trinity Insurance Agency, LLC (Royalty Trinity). This order revokes Ms. Perkins' general lines agent license and orders that Royalty Trinity cease and desist the business of insurance in this state.

**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 Ms. Perkins' license and issue a cease and desist order against Royalty Trinity. A copy of the proposal for decision is attached as Exhibit A.

TDI and Ms. Perkins filed exceptions to the administrative law judge's proposal for decision, and both parties filed replies to the other's exceptions.

In response to the exceptions, the administrative law judge revised the findings of fact and conclusions of law contained in the proposal for decision. The administrative law judge did not change his recommendation that TDI revoke Ms. Perkins' license and issue a cease and desist order to Royalty Trinity. A copy of the administrative law judge's response to exceptions is attached as Exhibit B.

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TDI adopts the administrative law judge's proposed findings of fact and conclusions of law, as modified by Exhibit B, but with changes to Finding of Fact No. 10 and the addition of new Conclusion of Law No. 4.A as described in this order.

**Errors in the Proposal for Decision, Changes to Finding of Fact No. 10, and Addition of New Conclusion of Law No. 4.A**

The legal authority for the changes to the proposal for decision made in this order is Tex. Gov't Code § 2001.058(e).

**Analysis**

Errors in the proposal for decision

The proposal for decision contains errors in Sections E and F of the discussion, which address Royalty Trinity and Ms. Perkins' testimony, respectively.

In Section E, the administrative law judge discusses the evidence that shows Royalty Trinity engaged in the business of insurance without a license. The proposal for decision initially refers to the company as "Royalty Trinity Insurance Agency, LLC." However, the bullets on pages 7 and 8 and the first full paragraph on page 8 incorrectly refer to the company as "Royal Trinity Insurance Agency, LLC" (Royal Trinity).

Royalty Trinity and Royal Trinity are two different entities, but both were formed and are operated by Ms. Perkins. However, *Royalty* Trinity is the entity that performed the acts in question and is the subject of this order, not Royal Trinity.<sup>1</sup>

The bullet on page 8 of the proposal for decision also includes an incorrect date. The bullet states that Royal Trinity (sic) became the new agent of record for policyholder Terry Smith on August 1, 2019. However, the document in the exhibit cited in the footnote for this statement, TDI Exhibit 20, is dated August 1, 2017.

Finally, in the first paragraph of Section F, the proposal for decision discusses Ms. Perkins' knowledge of transactions involving Royalty Trinity. However, this paragraph incorrectly refers to one of Ms. Perkin' policyholders as "Terry White." The correct name is "Terry Smith."<sup>2</sup>

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<sup>1</sup> See TDI Exhibits 17, 20, and 21 and Perkins Exhibit 24.

<sup>2</sup> See Testimony of Kairodsha Perkins, Hearing Transcript, vol. 2, pages 452–455.

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These errors are noted here but do not necessitate changes to any findings of fact or conclusions of law.

### Finding of Fact No. 10

Finding of Fact No. 10 contains a technical error—the finding states that Royalty Trinity "became the new agent of record on an insurance policy for policyholder Terry Smith on August 1, 2007."

The date included in Finding of Fact No. 10 should instead be August 1, 2017. The correct date is established in TDI Exhibit 20,<sup>3</sup> which contains policy change information for Terry Smith and shows that she signed the document on August 1, 2017.

As adopted by this order, Finding of Fact No. 10 is changed to state:

Although the Department had not yet approved the application for Royalty Trinity Insurance Agency, LLC, the company submitted an insurance proposal to a prospective client, Irma Garcia, on July 3, 2019; solicited an insurance policy by sending a proposal to a prospective client, Victor Brown, on July 11, 2019; sent an invoice and an insurance policy application to Irma Garcia on July 17, 2019; submitted a property insurance binder purporting to provide coverage to Irma Garcia on July 26, 2019; and became the new agent of record on an insurance policy for policyholder Terry Smith on August 1, 2017.<sup>4</sup>

### Conclusion of Law No. 4.A

Among other reasons, TDI staff sought to deny Ms. Perkins' license for engaging in fraudulent or dishonest acts or practices. Tex. Ins. Code § 4005.101(b)(5). The administrative law judge concluded that "[t]he evidence establishes that Ms. Perkins engaged in fraudulent acts by using Ms. Hamilton's credentials to access Goosehead's Salesforce database after she had been terminated from Goosehead employment."<sup>5</sup> Inexplicably, however, the administrative law judge failed to include a similar conclusion

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<sup>3</sup> See TDI Exhibit 20, *Agent of Record Transfer Documents*, at TDI 453.

<sup>4</sup> The punctuation of Finding of Fact No. 10 is also changed to insert additional commas where grammatically appropriate. Because this is a nonsubstantive change, it is not otherwise discussed in this order.

<sup>5</sup> Proposal for Decision, page 10.

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of law acknowledging that Ms. Perkins engaged in fraudulent or dishonest acts or practices.

As TDI staff acknowledge, Ms. Perkins' criminal conviction did not occur until after the notice of hearing had been sent to her, and it was not a basis for TDI staff seeking revocation of her license. Therefore, the administrative law judge's analysis under 28 TAC § 1.502 should be primarily based on Ms. Perkins' fraudulent conduct. *See* 28 TAC § 1.502(g) ("The department may, after notice and opportunity for hearing, revoke a license or authorization if the holder has committed a felony or misdemeanor, *or engaged in fraudulent or dishonest activity* that directly relates to the duties and responsibilities of the licensed occupation unless the commissioner finds that the matters set out in subsection (h) of this section outweigh the serious nature of the criminal offense when viewed in light of the occupation being licensed.") (emphasis added). Failure to include a conclusion of law establishing that Ms. Perkins engaged in fraudulent conduct, which is clearly supported by the record, renders the administrative law judge's analysis incomplete and was a misapplication of law or agency rules.

Therefore, new Conclusion of Law No. 4.A is included and states:

Ms. Perkins engaged in fraudulent or dishonest acts or practices. Tex. Ins. Code § 4005.101(b)(5).

### **Findings of Fact**

1. Findings of Fact Nos. 1–9 and 11–15, as contained in Exhibit A and revised consistent with Exhibit B, are adopted by TDI and incorporated by reference into this order.
2. In place of Finding of Fact No. 10 as contained Exhibit A, the following finding of fact is adopted:

Although the Department had not yet approved the application for Royalty Trinity Insurance Agency, LLC, the company submitted an insurance proposal to a prospective client, Irma Garcia, on July 3, 2019; solicited an insurance policy by sending a proposal to a prospective client, Victor Brown, on July 11, 2019; sent an invoice and an insurance policy application to Irma Garcia on July 17, 2019; submitted a property insurance binder purporting to provide coverage to Irma Garcia on July

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26, 2019; and became the new agent of record on an insurance policy for policyholder Terry Smith on August 1, 2017.

### Conclusions of Law

1. The Conclusions of Law contained in Exhibit A, as revised by Exhibit B, are adopted by TDI and incorporated by reference into this order.
2. New Conclusion of Law No. 4.A is adopted:

Ms. Perkins engaged in fraudulent or dishonest acts or practices. Tex. Ins. Code § 4005.101(b)(5).

### Order

It is ordered that Kairodsha Rulai Perkins' general lines agent license with a property and casualty qualification is revoked.<sup>6</sup>

It is further ordered that Royalty Trinity Insurance Agency, LLC, must immediately cease and desist the business of insurance in this state.

Commissioner of Insurance

DocuSigned by:  
  
By: C77A87C8C21B435...

Doug Slape

Chief Deputy Commissioner

Tex. Gov't Code § 601.002

Commissioner's Order No. 2018-5528

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<sup>6</sup> We note that Ms. Perkins was recently sentenced to confinement in federal prison for the crime referenced in the proposal for decision. See *Judgment in a Criminal Case, United States of America v. Kairodsha Rulai Perkins, No. 3:18-CR-00366-N (W.D. Tex., May 24, 2021)*. This fact and the cited evidence are not part of the record and were not considered in rendering this order. They are mentioned here simply to acknowledge that Ms. Perkins' license may be subject to automatic revocation upon beginning her prison sentence. See Tex. Occ. Code § 53.021(b) ("A license holder's license shall be revoked on the license holder's imprisonment following a felony conviction[.]").

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Recommended and reviewed by:

DocuSigned by:  
*James Person*  
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James Person, General Counsel

DocuSigned by:  
*Justin Beam*  
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Justin Beam, Assistant General Counsel



SOAH DOCKET NO. 454-19-4250.C  
TDI ENFORCEMENT FILE NOS. 14261 & 16882

TEXAS DEPARTMENT OF  
INSURANCE,  
Petitioner

v.

KAIRODSHA RULAI PERKINS  
and ROYALTY TRINITY  
INSURANCE AGENCY, LLC,  
Respondents

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

PROPOSAL FOR DECISION

The Texas Department of Insurance (Department) seeks to revoke the license of Kairodsha Rulai Perkins and obtain a cease and desist order against Royalty Trinity Insurance Agency, LLC (collectively Respondents) for alleged violations of the Texas Insurance Code. After considering the evidence and the applicable law, the Administrative Law Judge (ALJ) recommends the Department revoke Ms. Perkins’s license and issue a cease and desist order against Royalty Trinity Insurance Agency LLC.

I. NOTICE, JURISDICTION, AND PROCEDURAL HISTORY

Notice and jurisdiction were not disputed and are set out in the Findings of Fact and Conclusions of Law. On February, 10, 2020, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits at the State Office of Administrative Hearings (SOAH) in Austin, Texas. The Department was represented by Staff attorney Amanda Cagle. Respondents appeared and were represented by attorney E. Aaron Cartwright, III.

The hearing concluded on February, 11, 2020, and the record first closed on May 6, 2020, to allow time for a transcript to be prepared and for the submission of written closing arguments.

On June 29, 2020, the ALJ reopened the record and abated this case after the ALJ discovered an underlying criminal matter—relating to the facts of this case—had not been fully resolved.<sup>1</sup>

On November 10, 2020, the ALJ reinstated this case on the SOAH docket, and requested parties to provide a status report on the underlying criminal case no later than November 20, 2020, but neither party responded to the ALJ's request. Therefore, the record officially closed on November 20, 2020.

## II. APPLICABLE LAW

The Department may revoke a license if the Department determines that the license holder has engaged in fraudulent or dishonest acts or practices.<sup>2</sup> The Department considers any offense for which fraud, dishonesty, or deceit is an essential element to be of such a serious nature that it is of prime importance in determining a person's fitness for licensure.<sup>3</sup> The department will consider the factors specified in Texas Occupations Code §§53.022 and 53.023 in determining whether to revoke any license or authorization under its jurisdiction.<sup>4</sup>

The factors include:

1. the extent and nature of the person's past criminal activity;
2. the age of the person when the crime was committed;
3. the amount of time that has elapsed since the person's last criminal activity;
4. the conduct and work activity of the person prior to and following the criminal activity;
5. evidence of the person's rehabilitation or rehabilitative effort while incarcerated or following release; and

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<sup>1</sup> See *Infra*, § III.C.

<sup>2</sup> Tex. Ins. Code § 4005.101(b)(5), 28 Tex. Admin. Code § 1.502(g).

<sup>3</sup> 28 Tex. Admin. Code § 1.502(e).

<sup>4</sup> 28 Tex. Admin. Code § 1.502(h).



6. other evidence of the person's present fitness, including letters of recommendation from:
  - a. prosecutors, law enforcement, and correctional officers who prosecuted, arrested, or had custodial responsibility for the person;
  - b. the sheriff or chief of police in the community where the person resides; and
  - c. any other persons in contact with the convicted person; and
7. proof furnished by the person that the person has:
  - a. maintained a record of steady employment;
  - b. supported the person's dependents;
  - c. maintained a record of good conduct; and
  - d. paid all outstanding court costs, supervision fees, fines, and restitution ordered in any criminal case in which the applicant or holder has been convicted.<sup>5</sup>

Staff has the burden of producing evidence to show that Ms. Perkins's license should be revoked because her criminal history supports revocation of her license.<sup>6</sup> Once Staff produces such evidence, the burden shifts to Ms. Perkins to show that her license should not be revoked despite her criminal history.<sup>7</sup>

Staff also has the burden of producing evidence to show that a cease and desist order should be issued against Royalty Trinity Insurance Agency, LLC, for engaging in the business of insurance without a license.<sup>8</sup> Among other things, the following acts constitute the business of insurance in this state: making or proposing to make, as an insurer, an insurance contract; taking

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<sup>5</sup> Tex. Occ. Code § 53.023. The Department has adopted these factors in its guidelines. 28 Tex. Admin. Code § 1.502(h).

<sup>6</sup> 1 Tex. Admin. Code § 155.427.

<sup>7</sup> 28 Tex. Admin. Code § 1.502(h)(3).

<sup>8</sup> 1 Tex. Admin. Code § 155.427.

or receiving an insurance application; or collecting a premium or a commission as consideration.<sup>9</sup> A person may not directly or indirectly do an act that constitutes the business of insurance under this chapter except as authorized by statute unless the person holds a license or certificate of authority issued by the department.<sup>10</sup>

### III. DISCUSSION

#### A. Background Facts and Allegations of Computer Fraud

On March 29, 2011, the Department issued Ms. Perkins a general lines agent license number 966065, with a property and casualty qualification. In 2011, Ms. Perkins began working as an agent for Goosehead Insurance Company (Goosehead), and in 2016 was promoted to the position of office head (office manager) at Goosehead's office located in Fort Worth, Texas.

On March 31, 2017, Goosehead's Vice President of Sales Gary Delavan fired Ms. Perkins for allegedly manipulating her accounts in such a way that made her eligible for higher sales commissions.<sup>11</sup> Mr. Delavan testified he then was made aware of several instances where Ms. Perkins had impermissibly accessed Goosehead's computer database, known as Salesforce, using the login credentials of a Goosehead employee after Ms. Perkins had been terminated from employment. According to Mr. Delavan, the Salesforce database contains confidential and sensitive information such as names, addresses, dates of birth, and social security numbers, of Goosehead's clients.

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<sup>9</sup> Tex. Ins. Code § 101.051(b).

<sup>10</sup> Tex. Ins. Code § 101.102, 4001.101, 4051.051, and 28. Tex. Admin. Code § 19.902.

<sup>11</sup> Staff claimed separately that Ms. Perkins was fired for data manipulation, while Ms. Perkins argued Goosehead was not justified in terminating her from employment. Although the Administrative Law Judge (ALJ) noted Mr. Delavan's stated reason for firing Ms. Perkins, the ALJ makes no further finding on any issue of why she was terminated from Goosehead.

**B. Testimony of Drew Burks**

Drew Burks, Goosehead's Chief Information Officer, testified that he generated a report showing the login history of Ms. Perkins and another Goosehead employee, Briana Hamilton, into Goosehead's Salesforce customer database. According to Mr. Burks, the report shows login histories of both employees beginning in November 2016. The login history of Ms. Hamilton reflects that she logged into Salesforce primarily from an IP address of xx.xx.xx106, which coincided with the physical address of Goosehead's office located in Las Colinas, Texas. A series of logins made by Ms. Perkins during that same time reflected that Ms. Perkins logged into Salesforce from an IP address of xx.xxx.143.85, which is a physical location in Fort Worth, Texas.

However, Mr. Burks testified that, the report reflects a series of logins into Salesforce that were purportedly made by Ms. Hamilton beginning on April 3, 2017, through May 23, 2017. According to Mr. Burks, several logins that were apparently done by Ms. Hamilton were made from the IP address of xx.xxx.143.85, which was associated with Ms. Perkins. Mr. Burks concluded that Ms. Perkins used Ms. Hamilton's credentials to access Goosehead's database approximately 75 times during the time noted.<sup>12</sup>

**C. Court Records Relating to Allegations of Computer Fraud**

On August 4, 2017, the court in Cause No. 067-291420-17, *Goosehead v. Perkins and Royal Trinity Insurance Agency LLC*, in the 67th Judicial District of Tarrant County, Texas, entered a Final Judgment and Permanent Injunction against Ms. Perkins.<sup>13</sup> According to the judgment, Ms. Perkins agreed to several of Goosehead's allegations including the claim that she continued to access Goosehead's computer database after she was fired from Goosehead.<sup>14</sup> Ms. Perkins was ordered to pay \$350,000 in restitution to Goosehead.

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<sup>12</sup> Ms. Hamilton admitted that she assisted Ms. Perkins gain access to Salesforce, and she was fired from Goosehead on or about May 23, 2017.

<sup>13</sup> TDI Ex. No. 1.

<sup>14</sup> *Id.* at TDI 478.

On July 24, 2018, Ms. Perkins was indicted in federal court on one count of computer fraud in Criminal Action No. 3:18-CR-366-N, *USA v. Perkins*, in the United States District Court for the Northern District of Texas, Dallas Division.<sup>15</sup> On January 31, 2020, less than two weeks before the SOAH hearing began, Ms. Perkins was convicted by a jury.<sup>16</sup> The crime of computer fraud is classified as a Class E Felony<sup>17</sup> and is punishable by fine or imprisonment for not more than five years.<sup>18</sup> At the time of the SOAH hearing, Ms. Perkins had not been sentenced by the U.S. District Court. If the Court's sentence included imprisonment, Ms. Perkins' license may have been revoked by operation of law.<sup>19</sup>

#### **D. Testimony of Lewis Weldon Wright, IV**

Mr. Wright is the liaison between the Agent and Adjuster Licensing Office and the Enforcement Division of the Department. Mr. Wright testified that under 28 Texas Administrative Code § 1.502(c), the Department considers it to be very important that a licensed individual is honest, trustworthy, and reliable. He stated that consistent with Texas Occupations Code § 53.025 and 28 Texas Administrative Code § 1.502, in determining an individual's fitness for licensure, certain crimes are considered to be of a more serious nature. He testified that under 28 Texas Administrative Code § 1.502(e)(1), any offense for which fraud, dishonesty or deceit is an essential element is considered to be a serious offense. He stated that Ms. Perkins's computer fraud conviction also constituted a crime of moral turpitude under 28 Texas Administrative Code § 1.502(e)(3).

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<sup>15</sup> TDI Ex. No. 24. Computer Fraud is a violation under 18 U.S.C. § 1030(a)(4) and (c)(3)(A).

<sup>16</sup> TDI Ex. No. 25.

<sup>17</sup> 18 U.S.C. § 3559(a)(5).

<sup>18</sup> 18 U.S.C. § 1030(a)(4) and (c)(3)(A).

<sup>19</sup> A license holder's license shall be revoked on the license holder's imprisonment following a felony conviction, felony community supervision revocation, revocation of parole, or revocation of mandatory supervision. Tex. Occ. Code § 53.021(b), and 28 Tex. Admin. Code § 1.502(j). The ALJ abated this matter several months awaiting the District Court's sentence. However, it is not clear if the court has ever ordered a sentence against Ms. Perkins.

He noted that although Ms. Perkins has not yet been sentenced, the guilty verdict is conclusive evidence of her fraudulent acts. He continued by saying that the act of accessing Goosehead's database was severe in its nature and degree because it was directly related to insurance matters. On that basis, Mr. Wright concluded, the Ms. Perkins is not fit for licensure and that the Department should revoke her license.

**E. Royalty Trinity Insurance Agency, LLC**

Staff also alleged that on March 17, 2017, according to records filed with the Secretary of State, Ms. Perkins formed Royalty Trinity Insurance Agency, LLC.<sup>20</sup> The record further reflects that on February 9, 2018, Ms. Perkins submitted an application for Insurance Agency License to the Department on behalf of Royalty Trinity Insurance Agency, LLC.<sup>21</sup> Mr. Wright testified that although the Department had not yet approved the application for Royalty Trinity Insurance Agency, LLC, the evidence in this matter reflected the following:

- On July 3, 2019, Royal Trinity Insurance Agency, LLC, submitted an insurance proposal to a prospective client, Irma Garcia;<sup>22</sup>
- On July 11, 2019, Royal Trinity Insurance Agency, LLC, solicited an insurance policy by sending a proposal to a prospective client, Victor Brown;<sup>23</sup>
- On July 17, 2019, Royal Trinity Insurance Agency, LLC, sent an invoice and an insurance policy application to Irma Garcia;<sup>24</sup>
- On July 26, 2019, Royal Trinity Insurance Agency, LLC, submitted a property insurance binder purporting to provide coverage to Irma Garcia;<sup>25</sup> and

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<sup>20</sup> TDI Ex. 11.

<sup>21</sup> TDI Ex. 6.

<sup>22</sup> TDI Ex. 21.

<sup>23</sup> TDI Ex. 17.

<sup>24</sup> TDI Ex. 21.

<sup>25</sup> Perkins Ex. 24.

- On August 1, 2019, Royal Trinity Insurance Agency, LLC, became the new agent of record on an insurance policy for policyholder Terry Smith.<sup>26</sup>

Mr. Wright testified that even though Royal Trinity Insurance Agency, LLC, was designated as a “company” by the Secretary of State, it was not authorized by the Department to engage in the business of insurance. In support of this position, Mr. Wright pointed to a Negative Certification issued by the Department’s Director of Agent and Adjuster Licensing, which indicated Royal Trinity Insurance Agency, LLC, was never licensed or registered with the Department and therefore was not authorized to engage in the business of insurance.<sup>27</sup> For those reasons, Mr. Wright concluded, the Department should issue a cease and desist order against Royal Trinity Insurance Agency, LLC.

#### **F. Testimony of Ms. Perkins**

Ms. Perkins admitted she used Ms. Hamilton’s credentials to log into Goosehead’s Salesforce database even after she was terminated from her employment at Goosehead. Her explanation was that her former Goosehead clients continued to contact her after she was fired and that she accessed their accounts only to add notes to assist Goosehead agents in servicing those accounts. She further believed it was permissible to use Ms. Hamilton’s credentials because Ms. Hamilton was employed by Goosehead at that time. Ms. Perkins also admitted her involvement in creating Royal Trinity Insurance Agency, LLC and that she was aware of the transactions involving Royal Trinity Insurance Agency, LLC, Irma Garcia, and Terry White.

Despite her role in committing computer fraud and engaging in the unauthorized practice of insurance, Ms. Perkins asserted she was one of Goosehead’s most productive agents for several years—earning awards, raises, and promotions throughout her tenure. She also submitted the following letters of recommendation:

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<sup>26</sup> TDI Ex. 20.

<sup>27</sup> TDI Ex. 8.

- Tarrant County Constable, Clint C. Burgess, wrote in an undated letter that he is familiar with Ms. Perkins's family and her career in the insurance business. He also wrote that Ms. Perkins is kind-hearted and is helpful in the community and serves as a role model for young women who aspire to entrepreneurs.<sup>28</sup>
- Nicholas McAlister wrote in a letter dated April 30, 2020, that he has been a personal friend of Ms. Perkins for over 25 years and that although he believes dishonest people should be in jail, Ms. Perkins should be shown mercy. Mr. McAlister also wrote that Ms. Perkins is someone who gives back to the community in many ways and serves as a mentor for young women and men concerning best business practices. He believes Ms. Perkins is a friend that he can trust.
- NaQuiyah Hodges wrote in a letter dated April 14, 2020, that she knows Ms. Perkins through church and that Ms. Perkins is a volunteer coach for the church's youth basketball team. She wrote that she became more acquainted with Ms. Perkins by talking about shared experiences, mutual connections, and through attending women's ministry church events.
- Bretney Parks wrote in an undated letter that she has known Ms. Perkins for 27 years and in that time Ms. Perkins has shown a dedication to her family and her work. Ms. Parks also wrote that Ms. Perkins is a humble woman and has done everything in her power to make the best decisions for her and her family while enduring these struggles.
- Serita Taylor wrote in an undated letter than she is the school nurse at the school Ms. Perkins's children attend. Ms. Taylor wrote that Ms. Perkins has been one of the most supportive parents and always finds a way to make herself available when needed.
- Anissa Lawson wrote in a letter dated March 22, 2020, that she is an educator in Tarrant County and has known Ms. Perkins for over 30 years. Ms. Lawson has watched Ms. Perkins grow from working in education to owning her own business. Ms. Lawson believes that Ms. Perkins a very trustworthy and reliable person who loves to help other people.
- Rosalinda A. Maddoux wrote in a letter dated March 8, 2020, that she has known Ms. Perkins for 12 years and in that time has known Ms. Perkins to be kind, dependable, dedicated, hardworking, and generous. She noted that Ms. Perkins helps with school activities, coaches youth volleyball and basketball, and teaches kids about hard work, dedication, and perseverance.
- Lawrence Luster wrote in a letter dated February 12, 2020, that he works for a mortgage lending company and has known Ms. Perkins for two years as an insurance agent. He wrote that Ms. Perkins is honest, hardworking, and coaches clients for the coverage they desire.

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<sup>28</sup> Although Mr. Burgess is a law enforcement officer, it does not appear that he was connected to the criminal matter involving Ms. Perkins.

- Arminda I Grissett wrote in an undated letter that she and her husband have owned and operated McDonald's restaurants for 30 years in the Dallas-Fort Worth area. Ms. Grissett wrote that as a close acquaintance of Ms. Perkins she has watched her grow from a loving daughter to a committed wife and nurturing mother. Ms. Grissett also believes that Ms. Perkins is a great citizen to be family and the community because she is very selfless.<sup>29</sup>

#### IV. ANALYSIS

Under Texas Insurance Code § 4005.101(b)(5), the Department may revoke a license if the Department determines that the license holder has engaged in fraudulent or dishonest acts or practices. The evidence establishes that Ms. Perkins engaged in fraudulent acts by using Ms. Hamilton's credentials to access Goosehead's Salesforce database after she had been terminated from Goosehead's employment. The Department considers any offense for which fraud, dishonesty, or deceit is an essential element to be of such a serious nature that it is of prime importance in determining a person's fitness for licensure.<sup>30</sup> The department will consider the factors specified in Texas Occupations Code §§53.022 and 53.023 in determining whether to revoke any license or authorization under its jurisdiction.<sup>31</sup>

Regarding these factors, the evidence established that Ms. Perkins was found guilty of computer fraud, a serious offense. Ms. Perkins also agreed to a judgment in civil court against her, which ordered her to pay \$350,000 in restitution to Goosehead. Ms. Perkins has not yet paid this amount. It is not clear how old Ms. Perkins was at the time she committed computer fraud, but she was more than likely mature enough that her actions could not be considered youthful indiscretions. Less than five years have elapsed since she committed the offense, and there is no evidence of any additional criminal activity by Mr. Perkins. However, the criminal matter remains unresolved pending the issuance of a sentence, if any, by the U.S. District Court. Other than the \$350,000 in restitution, there is no evidence that Ms. Perkins owes any other outstanding court costs ordered by the court.

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<sup>29</sup> These letters were attached to Respondents' Rebuttal Argument to Petitioner's Closing Brief on May 1, 2020.

<sup>30</sup> 28 Tex. Admin. Code § 1.502(e).

<sup>31</sup> 28 Tex. Admin. Code § 1.502(h).



Ms. Perkins attempted to establish a good record of conduct and work history, but this evidence is outweighed by the evidence that she created a company that engaged in the unauthorized business of insurance. Her attempt to operate Royalty Insurance Agency, LLC, also shows a lack of rehabilitation.

In her favor, Ms. Perkins has positive recommendations from members of her community. However, none of the letters specifically mention Ms. Perkins's criminal history. The letters were also submitted after the hearing (but before the record closed) and were undated or dated after the hearing. Collectively, the letters were not persuasive in this matter. Given all the circumstances, at this point, Ms. Perkins has not shown fitness for licensure.

Royalty Insurance Agency, LLC, engaged in the business of insurance by soliciting insurance policies; sending a client an invoice and insurance policy; and becoming the new agent of record on an insurance policy. During that time, Royalty Insurance Agency, LLC, was not authorized by the Department to engage in the business of insurance. Ms. Perkins argued this company is no longer in operation. To the extent that this company still exists and engages in the unauthorized business of insurance, the Department should issue a cease and desist order.

Accordingly, the ALJ concludes that Ms. Perkins's license should be revoked and the Department should issue a cease and desist order against Royalty Insurance Agency, LLC. In support of this recommendation, the ALJ makes the following findings of fact and conclusions of law.

#### **V. FINDINGS OF FACT**

1. On March 29, 2011, the Texas Department of Insurance (Department) issued Kairodsha Rulai Perkins a general lines agent license number 966065, with a property and casualty qualification.
2. In 2011 Ms. Perkins began working as an agent for Goosehead Insurance Company (Goosehead), and in 2016 was promoted to the position of office head (office manager) at Goosehead's office located in Fort Worth, Texas.

3. On March 31, 2017, Goosehead's Vice President of Sales Gary Delavan fired Ms. Perkins for allegedly manipulating her accounts in such a way that made her eligible for higher sales commissions.
4. After her termination from employment, Ms. Perkins impermissibly accessed Goosehead's computer database, known as Salesforce, using the login credentials of a Goosehead employee. She accessed Salesforce on approximately 75 occasions, from April 3, 2017, through May 23, 2017.
5. Goosehead's Salesforce database contains confidential and sensitive information such as names, addresses, dates of birth, and social security numbers, of Goosehead's clients.
6. On August 4, 2017, the court in Cause No. 067-291420-17, *Goosehead v. Perkins and Royal Trinity Insurance Agency LLC*, in the 67th Judicial District of Tarrant County, Texas, entered a Final Judgment and Permanent Injunction against Ms. Perkins, wherein Ms. Perkins agreed to several of Goosehead's allegations including the claim that she continued to access Goosehead's computer database after she was fired from Goosehead. Ms. Perkins was ordered to pay \$350,000 in restitution to Goosehead.
7. On January 31, 2020, in Criminal Action No. 3:18-CR-366-N, *USA v. Perkins*, in the United States District Court for the Northern District of Texas, Dallas Division, Ms. Perkins was convicted by a jury on one count of computer fraud, a Class E Felony punishable by fine or imprisonment for not more than five years.
8. At the time of the State Office of Administrative Hearings (SOAH) hearing, Ms. Perkins had not been sentenced by the U.S. District Court.
9. On March 17, 2017, Ms. Perkins formed Royalty Trinity Insurance Agency, LLC, through the Texas Secretary of State. On February 9, 2018, Ms. Perkins submitted an application for Insurance Agency License to the Department on behalf of Royalty Trinity Insurance Agency, LLC.
10. Although the Department had not yet approved the application for Royalty Trinity Insurance Agency, LLC, the company submitted an insurance proposal to a prospective client, Irma Garcia on July 3, 2019; solicited an insurance policy by sending a proposal to a prospective client, Victor Brown on July 11, 2019; sent an invoice and an insurance policy application to Irma Garcia on July 17, 2019; submitted a property insurance binder purporting to provide coverage to Irma Garcia on July 26, 2019; and became the new agent of record on an insurance policy for policyholder Terry Smith on August 1, 2019.
11. On August 30, 2019, the Department issued its Third Amended Notice of Hearing to Ms. Perkins and Royalty Trinity Insurance Agency, LLC.

12. The notice of hearing 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 the particular sections of the statutes and rules involved; and a short, plain statement of the factual matters asserted or an attachment that incorporated by reference the factual matters asserted in the complaint or petition filed with the state agency.
13. On February, 10, 2020, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits at SOAH in Austin, Texas. The Department was represented by Staff attorney Amanda Cagle and Respondents appeared and were represented by attorney E. Aaron Cartwright, III.
14. The hearing concluded on February, 11, 2020, and the record first closed on May 6, 2020, to allow time for a transcript to be prepared and for the submission of written closing arguments. On June 29, 2020, the ALJ reopened the record and abated this case after the ALJ discovered an underlying criminal matter—relating to the facts of this case—had not been fully resolved.
15. On November 10, 2020, the ALJ reinstated this case on the SOAH docket, and requested parties to provide a status report on the underlying criminal case by November 20, 2020. After neither party responded to the ALJ’s request, the record in this matter officially closed on November 20, 2020.

## **VI. CONCLUSIONS OF LAW**

1. The Department has jurisdiction over this matter. Tex. Ins. Code §§ 4001.002, .105, 4005.101.
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. Ms. Perkins and Royalty Trinity Insurance Agency, LLC, received timely and sufficient notice of hearing. Tex. Gov’t Code §§ 2001.051-.052.; Tex. Ins. Code § 4005.104(b).
4. The Department may revoke a license if the Department determines that the licensee has engaged in fraudulent or dishonest acts or practices. Tex. Ins. Code § 4005.101(b)(5).
5. Ms. Perkins has not shown the fitness required to perform the duties and discharge the responsibilities of the licensed occupation. Tex. Occ. Code § 53.023; 28 Tex. Admin. Code § 1.502(h)(2).

6. The Department should revoke Ms. Perkins's license.
7. Royalty Trinity Insurance Agency, LLC, engaged in acts that constitute the business of insurance in this state. Tex. Ins. Code § 101.051(b), 4001.051(a).
8. Royalty Trinity Insurance Agency, LLC, engaged in the business of insurance without a license or certificate of authority issued by the department. Tex. Ins. Code § 101.102, 4001.101, 4051.051, 28. Tex. Admin. Code § 19.902.
9. The Department should issue a cease and desist order against Royalty Trinity Insurance Agency, LLC.

**SIGNED January 15, 2021.**



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**STEVEN M. RIVAS  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS**



**Exhibit B**

# State Office of Administrative Hearings

Kristofer S. Monson  
Chief Administrative Law Judge

April 19, 2021

Kent Sullivan  
Commissioner of Insurance  
Texas Department of Insurance  
333 Guadalupe, Tower 1, 13<sup>th</sup> Floor, Mail Code 113-2A  
Austin, Texas 78714

VIA E-FILE TEXAS

**RE: Docket No. 454-19-4250; *Texas Department of Insurance v. KAIRODSHA RULAI PERKINS and ROYALY TRINITY INSURANCE AGENCY, LLC***

Dear Commissioner Sullivan:

On January 15, 2021, the undersigned Administrative Law Judge (ALJ) with the State Office of Administrative Hearings (SOAH) issued the Proposal for Decision (PFD) in this matter. On February 16, 2021, Respondents Kairodsha Rulai Perkins and Royalty Trinity Insurance Agency, LLC, filed Respondents' Exceptions to the PFD. On February 22, 2021, Staff for the Texas Department of Insurance (Department) filed TDI's Exceptions to the PFD. On February 23, 2021, Respondents filed a duplicate Respondents' Exceptions to the PFD that was previously filed on February 16, 2021. On March 9, 2021, Department Staff filed TDI's Reply to Respondents' Exceptions to the PFD.

Having reviewed the exceptions and responses, the ALJ recommends the following:

Add Finding of Fact No. 6(a). Ms. Perkins failed to pay the \$350,000 in court-ordered Restitution to Goosehead.

Amend Conclusion of Law No. 1. The Department has jurisdiction over this matter. Tex. Ins. Code §§ 82.051-82.055, 101.103, 101.151, 4001.002, 4005.101 and 4005.102.

Add Conclusion of Law No. 3(a). Staff had the burden of proof in this matter. 1 Tex. Admin. Code § 155.427.



# State Office of Administrative Hearings

Kristofer S. Monson  
Chief Administrative Law Judge

The ALJ recommends no further changes be made to the PFD. Because SOAH has concluded its involvement in the matter, the case is being remanded to the Texas Department of Insurance pursuant to Texas Government Code § 2003.051(a).

Sincerely,

Steven M. Rivas  
Administrative Law Judge

SR/jh  
Enclosure

cc: Amanda Cagle, Staff Attorney, Texas Department of Insurance, 333 Guadalupe, Tower 1, 13<sup>th</sup> 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 and INTERAGENCY MAIL**  
Aaron Cartwright [REDACTED] Arlington, TX 76013 - **VIA E-FILE TEXAS**