

No. 2022-7381

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

Date: 07/14/2022

Subject Considered:

Derek Jarrod Sample

[REDACTED]
Katy, Texas 77450

Default Order
SOAH Docket No. 454-22-2830
TDI Enforcement File No. 25553

General remarks and official action taken:

This is a default order taken against Derek Jarrod Sample (Respondent) because he engaged in fraudulent or dishonest conduct. Respondent did not respond to a Notice of Hearing filed by the Texas Department of Insurance. This order revokes Respondent's license.

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

Findings of Fact

Failure to Respond to Notice of Hearing

1. On May 27, 2022, 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],

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Commissioner's Order

Derek Jarrod Sample

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██████████, Katy, Texas 77450 by first-class and certified mail. The Notice of Hearing and Original Petition were also sent by first-class and certified mail to an additional address associated with Respondent: ██████████, Katy, Texas 77450.

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 under Texas law, including TEX. INS. CODE §§ 82.051-82.055, 4005.101-4005.105, and 4051.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to dispose of this case informally under 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 under 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 under 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 under 28 TEX. ADMIN. CODE § 1.89.

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Order

It is ordered that any licenses held by Derek Jarrod Sample are revoked. 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:

FC5D7EDDFFB84F8...

Cassie Brown
Commissioner of Insurance

Prepared and reviewed by:



Casey Seebth, 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 Derek Jarrod Sample. I have confirmed that:

- a. The last mailing address provided to the department in writing by Derek Jarrod Sample is [REDACTED], Katy, Texas 77450.
- b. The file maintained by Enforcement contains a Notice of Hearing and Original Petition dated May 27, 2022, which were filed with the State Office of Administrative Hearings.
- c. On May 27, 2022, the Notice of Hearing and Original Petition addressed to Derek Jarrod Sample were mailed first-class and certified, return receipt requested, to his last known address and one additional address: [REDACTED], Katy, Texas 77450 and [REDACTED], Katy, Texas 77450.

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

DocuSigned by:
David Moreno
6C8E9F07CC244BE...

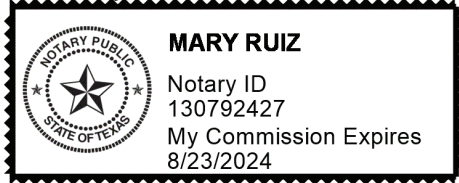
Affiant

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SWORN TO AND SUBSCRIBED before me by means of an interactive two-way audio and video communication on 6/27/2022. This notarial act was an online notarization.

Notary Seal



Digital Certificate

DocuSigned by:
Mary Ruiz
795DC4D59167489...
Notary Public State of Texas

FILED **2022-7381**
454-22-2830
5/27/2022 2:41 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Pegah Nasrollahzadeh, CLERK

ACCEPTED
454-22-2830
6/2/2022 2:21:21 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Pegah Nasrollahzadeh, CLERK

**SOAH DOCKET NO. 454-22-2830
TDI ENFORCEMENT FILE NO. 25553**

TEXAS DEPARTMENT OF INSURANCE,

BEFORE THE STATE OFFICE

Petitioner

v.

OF

DEREK JARROD SAMPLE,

ADMINISTRATIVE HEARINGS

Respondent

NOTICE OF HEARING

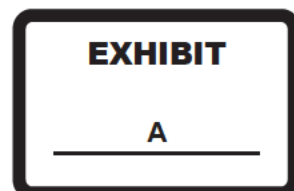
The Texas Department of Insurance seeks to take disciplinary action against you. This Notice of Hearing and the Original Petition, which is attached and incorporated for all purposes, states the allegations against you and the relief sought by TDI.

A public hearing will be held before an Administrative Law Judge on **Tuesday, August 30, 2022, at 9:00 a.m.** The hearing will take place at the State Office of Administrative Hearings, located in the William P. Clements Building, 300 West 15th Street, 4th Floor, Austin, Texas, 78701, 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 who 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.



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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 REVOCATION OF YOUR LICENSE, ISSUANCE OF A CEASE AND DESIST ORDER, IMPOSITION OF ADMINISTRATIVE PENALTIES, AND/OR PAYMENT OF RESTITUTION, 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 REVOCATION OF YOUR LICENSE, ISSUANCE OF A CEASE AND DESIST ORDER, IMPOSITION OF ADMINISTRATIVE PENALTIES, AND/OR PAYMENT OF RESTITUTION, 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)*
Casey Seeboth, Staff Attorney

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Texas Department of Insurance
Enforcement, MC ENF
P.O. Box 12030
Austin, Texas 78711-2030
(512) 490-1020 (fax)
Casey.Seebboth@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.

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

Respectfully Submitted,

/s/ Casey Seebboth

Casey Seebboth
State Bar No. 24070584
Texas Department of Insurance
Enforcement, MC ENF

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P.O. Box 12030
Austin, Texas 78711-2030
(512) 676-6337 (direct)
(512) 490-1020 (fax)
Casey.Seboth@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
Whitney Fraser, Litigation Director, Enforcement, MC ENF
Administrative Review, MC CO-AAL

CERTIFICATE OF SERVICE

I, Casey Seboth, certify that a true and correct copy of the *Notice of Hearing and the Original Petition* were sent by regular, first-class mail and by certified mail, return receipt requested, on this 27th day of May, 2022 to:

Derek Jarrod Sample
[REDACTED]
Katy, Texas 77450

Via CM/RRR No.: 9214 8901 9403 8377 8579 40

Derek Jarrod Sample
[REDACTED]
Katy, Texas 77450

Via CM/RRR No.: 9214 8901 9403 8377 8580 08

/s/ Casey Seboth
Casey Seboth

2022-7381

FILED
454-22-2830
5/26/2022 4:47 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

SOAH DOCKET NO. 454-²²⁻²⁸³⁰
TDI ENFORCEMENT FILE NO. 25553

TEXAS DEPARTMENT OF INSURANCE,

Petitioner

v.

DEREK JARROD SAMPLE,

Respondent

BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

ACCEPTED
454-22-2830
5/26/2022 5:09:08 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

ORIGINAL PETITION

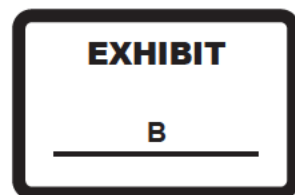
The Texas Department of Insurance (TDI) seeks to take disciplinary action against Derek Jarrod Sample. In support of this petition, TDI makes the following allegations upon information and belief:

Jurisdiction

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

Factual Allegations

1. Derek Jarrod Sample (Sample) holds a general lines agent license issued by TDI.
2. In May 2020, Metropolitan General Insurance Company (MetLife) terminated Sample's authority to conduct insurance business with MetLife.
3. Sample submitted more than one insurance policy application to MetLife for individuals who did not ask Sample to submit the application. Sample listed Sample's business address on the applications, instructing MetLife to send all correspondence to Sample's business address instead of to the individuals directly. MetLife issued the policies and Sample received commission payments. Sample subsequently contacted MetLife to cancel the insurance policies before the premium was paid, and falsely represented the reason for cancellation concerned a policyholder decision.



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4. Sample was previously disciplined by TDI for similar conduct in Commissioner Order 2017-5038.
5. The following findings of fact (FOF) in Order No. 2017-5038 include conduct that demonstrates a similar pattern to the conduct alleged here:

FOF #2: Between April 2011 and May 2014, Sample submitted 79 applications for homeowners insurance policies to Farmers Insurance Group without valid signatures from the insureds. Sample did not collect premium payments for the policies. Sample later manually cancelled the policies prior to automatic cancellation without obtaining a signed request to cancel the policies. On several occasions, Sample reinstated policies and subsequently cancelled the policies again prior to premium payments being due.

FOF #3: Sample used this scheme to collect approximately \$52,000 in advanced commissions after Farmers applied charge backs to his account. Subject to Sample voluntarily entering into this consent order, Farmers has represented in writing to the department that it is not seeking restitution for the advanced commissions owed through this Enforcement case.

6. Among other actions, including a license suspension, the Commissioner ordered Sample to immediately notify TDI about any complaint made against Sample concerning his performance as an insurance agent and provide a written explanation detailing the steps taken to resolve it.
7. Sample did not notify TDI about MetLife's complaint about Sample's performance as an insurance agent. When TDI attempted to contact Sample about the complaint, Sample did not respond.

Legal Allegations

1. Sample has engaged in fraudulent or dishonest acts or practices, for which he should be disciplined per TEX. INS. CODE § 4005.101(b)(5).

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Original Petition
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2. Sample has misappropriated, converted to his own use, or illegally withheld money belonging to an insurer or another person, for which he should be disciplined per TEX. INS. CODE § 4005.101(b)(4).
3. Sample has willfully violated an insurance law of this state, for which he should be disciplined per TEX. INS. CODE §§ 4005.101(b)(1), 541.003, and 541.061.
4. Sample has failed to comply with an order issued under TEX. INS. CODE § 82.052, for which his license should be revoked per TEX. INS. CODE § 82.054.

Relief Sought

If these allegations are proved, the Commissioner of Insurance is authorized to revoke the license held by Derek Jarrod Sample per TEX. INS. CODE §§ 82.051, 82.054, and 4005.101; additionally, the Commissioner is authorized to impose other disciplinary measures per TEX. INS. CODE §§ 82.052–82.055.

Respectfully Submitted,

/s/ Casey Seeboth

Casey Seeboth
State Bar No. 24070584
Texas Department of Insurance
Enforcement, MC ENF
P.O. Box 12030
Austin, Texas 78711-2030
(512) 676-6337 (direct)
(512) 490-1020 (fax)
Casey.Seeboth@tdi.texas.gov

ATTORNEY FOR THE PETITIONER
TEXAS DEPARTMENT OF INSURANCE

Name and Address of Sender
 Texas Dept of Insurance
 Mail Code 110-1A
 333 Guadalupe St
 Austin TX 78701
Mary Ruiz
 May 27, 2022

Check type of mail or service

<input type="checkbox"/> Adult Signature Required	<input type="checkbox"/> Priority Mail Express
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail
<input type="checkbox"/> Certified Mail	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation
<input type="checkbox"/> Collect on Delivery (COD)	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Priority Mail	

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

Firm Mailing Book For Account

EXHIBIT
 C

USPS Tracking/Article Number	Address (Name, Street, City, State, & Zip Code)	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
SEEBOTH/25553	DEREK JARROD SAMPLE [REDACTED] KATY, TEXAS 77450	1.36												
	DEREK JARROD SAMPLE [REDACTED] KATY, TEXAS 77450	1.36		0 in value										
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>neopost 05/27/2022 US POSTAGE \$003.30⁰⁰</p> <p>OFFICIAL BUSINESS STATE OF TEXAS PENALTY FOR PRIVATE USE</p> <p>ZIP 78701 041M12252405</p> </div>														
<div style="border: 1px solid blue; padding: 5px; display: inline-block;"> <p>MAY 31 2022 TDL - ENFORCEMENT</p> </div>														
<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> <p>POST OFFICE AUSTIN TX 78701 MAY 27 2022</p> </div>														
				Handling Charge If Re				Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling

2022-7381



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: 05/27/2022
Shipped From:
Name: MC 110-1A M RUIZ
Address: 333 GUADALIPE ST
City: AUSTIN
State: TX ZIP+4® 78701

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 0037 0474 97

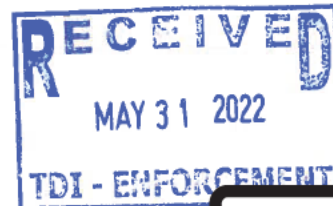


EXHIBIT
D



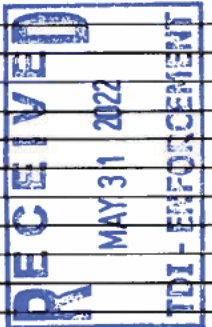
Firm Mailing Book For Accountable Mail

Name and Address of Sender
MC 110-1A M RUIZ
TEXAS DEPARTMENT OF INSURANCE
333 GUADALUPE ST
AUSTIN TX 78701

- 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

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

USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	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 8377 8579 40	DEREK JARROD SAMPLE [Redacted] KATY, TEXAS 77450	1.56	3.75								1.85			
2. 9214 8901 9403 8377 8580 08	DEREK JARROD SAMPLE [Redacted] KATY, TEXAS 77450	1.56	3.75								1.85			
				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						



Total Number of Pieces Sent by Sender: 2

Total Number of Pieces Received at Post Office: [Blank]

Postmaster, Per (Name of receiving employee): [Blank]

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