

No. 2017- 5194

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: AUG 23 2017

Subject Considered:

CATHY LYNN HALLUM
2117 NW Ave C
Seminole, Texas 79360

DEFAULT ORDER
SOAH DOCKET NO. 454-17-4590.C
TDI ENFORCEMENT FILE NO. 12215

General remarks and official action taken:

This order is in consideration of the application for a general lines agent license with a property and casualty qualification for Cathy Lynn Hallum.

FINDINGS OF FACT

1. Cathy Lynn Hallum submitted an application for a general lines agent license with a property and casualty qualification to the department on February 1, 2016.
2. The department proposed to deny Hallum's application on October 4, 2016, based on her criminal history, material misstatement in her license application and her attempt to obtain a license by fraud or misrepresentation. She appealed that decision and made a written request for a hearing.
3. On June 20, 2017, TDI sent a notice of hearing to Hallum's last known address provided in writing to the department, 2117 NW Ave C, Seminole, Texas, 79360. Notice was also sent to an additional address associated with Hallum: 400 South Main St, Seminole, Texas 79360.
4. Hallum failed to file a written response to the notice of hearing within 20 days of the date the notice of hearing was mailed.
5. On October 31, 2001, the 106th District Court of Gaines County, Texas sentenced Hallum to five years of community supervision for the offense of Forgery, a state jail felony.
6. On May 3, 2005, the 121st District Court of Yoakum County, Texas sentenced Hallum to two years confinement for the offense of Fraudulent Use or Possession of Identifying Information, a state jail felony.

7. On her TDI application Hallum answered “No” to the question: “Have you ever been convicted of any misdemeanor or felony offense in Texas, in any other state or by the federal government?” However, at the time of her TDI application, Hallum was convicted of a felony offense by the 106th District Court of Gaines County, Texas and the 121st District Court of Yoakum County, Texas.
8. On or about October 2, 2015, Hallum submitted an application for licensure to the New Mexico Office of Superintendent of Insurance. On that application, she failed to disclose her criminal history. Hallum further failed to respond to the New Mexico department’s request for information and her application was closed.
9. On or about December 3, 2015, Hallum submitted another application for licensure to the New Mexico Office of Superintendent of Insurance. On that application, she did disclose her criminal history but later contacted the New Mexico department and withdrew her application.
10. On her TDI application Hallum answered “Yes” to the question: “Do you currently hold any insurance agent license, adjuster or public insurance adjuster license in any state other than Texas or have you held an insurance agent license, adjuster or public insurance adjuster license in any state other than Texas within the last five years?” Hallum provided documentation that she was previously licensed in the State of New Mexico. However, she had not been licensed by the State of New Mexico.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction pursuant to TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4001.102, 4001.105, 4005.101, 4005.102, and 4051.051; TEX. OCC. CODE §§ 53.021-53.023; 28 TEX. ADMIN. CODE § 1.502; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. TEX. GOV'T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89 give the commissioner authority to dispose of this case informally.
3. Based on 28 TEX. ADMIN. CODE § 19.906, Hallum’s last known address is presumed to be 2117 NW Ave C, Seminole, Texas, 79360.
4. The department sent a notice of hearing to Hallum’s last known address as required by 28 TEX. ADMIN. CODE §§1.28(c) and 1.88(c), 1 TEX. ADMIN. CODE § 155.401, and TEX. GOV'T CODE Ch. 2001. The department also sent a notice of hearing to an additional address associated with Hallum: 400 South Main St, Seminole, Texas 79360.
5. The department’s allegations in the notice of hearing, set out herein as findings of fact nos. 1-2 and 5-10, are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.
6. Hallum intentionally made a material misstatement in her application, as contemplated by TEX. INS. CODE § 4005.101(b)(2).

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7. Hallum attempted to obtain a license by fraud or misrepresentation, as contemplated by TEX. INS. CODE § 4005.101(b)(3).
8. Based on Hallum's prior criminal history, she has committed an act for which a license may be denied because she has engaged in fraudulent or dishonest acts or practices, as contemplated by TEX. INS. CODE § 4005.101(b)(5).
9. Based on Hallum's prior criminal history, she has been convicted of a felony, as contemplated by TEX. INS. CODE § 4005.101(b)(8).
10. Hallum has committed an offense for which fraud, dishonesty, or deceit is an essential element, as contemplated in 28 TEX. ADMIN. CODE § 1.502(e)(1) and TEX. OCC. CODE §§ 53.021-53.023.
11. Department guidelines, 28 TEX. ADMIN. CODE § 1.502(c)-(e), emphasize that TDI:
 - a. considers it very important that applicants be honest, trustworthy, and reliable;
 - b. may refuse to issue an original license if the department determines that the applicant has committed an offense that directly relates to the duties and responsibilities of the licensed occupations; and
 - c. considers any offense for which fraud, dishonesty or deceit is an essential element to be of prime importance when determining fitness for licensure. 28 TEX. ADMIN. CODE § 1.502(e)(1).

It is ordered that Cathy Lynn Hallum's application for a general lines agent license with a property and casualty qualification is denied.



Kevin Brady
Deputy Commissioner For Agency Affairs
Texas Department of Insurance
Delegation Order 4506

AFFIDAVIT

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

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

“My name is Mary Ruiz 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 Cathy Lynn Hallum. I have confirmed that:

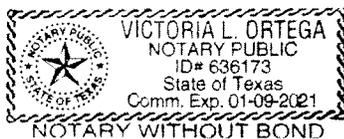
- a. The last mailing address provided to the department by Cathy Lynn Hallum in writing was 2117 NW Ave C, Seminole, Texas, 79360.
- b. The file maintained by the Enforcement Section of the Legal and Enforcement Division contains a notice of hearing dated June 20, 2017, which was filed with the State Office of Administrative Hearings.
- c. The notice of hearing was addressed to Cathy Lynn Hallum at her last known address and mailed first class and certified, with return receipt requested, on June 20, 2017. Notice was also sent on June 20, 2017, by first class mail and certified, with return receipt requested, to an additional address associated with Hallum: 400 South Main St, Seminole, Texas 79360.

Copies of the first class and certified mail logs maintained by the Enforcement Section are attached as Exhibit A and Exhibit B.”

Mary Ruiz
Affiant

SWORN TO AND SUBSCRIBED before me on August 11, 2017.

(NOTARY SEAL)



Victoria L. Ortega
Signature of Notary Public

Victoria L. Ortega
Printed Name of Notary Public

