

No. 2017- 5201

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

Date: AUG 30 2017

Subject Considered:

EDWARD KARRAM
5315 Cypress Creek Pkwy
Apt. B202
Houston, Texas 77069

DEFAULT ORDER
SOAH DOCKET NO. 454-17-4925.C
TDI CASE NO. 10954

General remarks and official action taken:

This order is in consideration of whether a life agent license should be issued to Edward Karram.

FINDINGS OF FACT

1. Edward Karram, individual identification number 108342, applied for a life agent license with the department on December 14, 2015.
2. The department proposed to deny Karram's application based on his criminal history on February 23, 2016. Karram appealed that decision and made a written request for a hearing on March 19, 2016.
3. On June 27, 2017, the department sent a notice of hearing to Karram's last known address provided in writing to the department: 5315 Cypress Creek Pkwy, Apt. B202, Houston, Texas 77069.
4. Karram failed to file a written response to the notice of hearing within 20 days of the date the notice of hearing was mailed.

Felony Convictions

5. On July 18, 2012, Karram pleaded guilty to credit/debit card abuse, a state jail felony, in cause no. 132514101010 at the 351st District Court in Harris County, Texas. The court ordered deferred adjudication, placed Karram on community supervision for two years,

and ordered him to pay court costs and restitution of \$512.58. Karram completed his supervision and was discharged on July 17, 2014.

6. On July 18, 2012, Karram pleaded guilty to theft \$1,500 to \$20,000, a state jail felony, in cause no. 132514201010 at the 351st District Court in Harris County, Texas. The court ordered deferred adjudication, placed Karram on community supervision for two years, and ordered him to pay court costs and restitution of \$2,000. Karram completed his supervision and was discharged on July 17, 2014.
7. On November 19, 2012, Karram pleaded guilty to credit/debit card abuse, a state jail felony, in cause no. 135920901010 at the 351st District Court in Harris County, Texas. The court ordered deferred adjudication, placed Karram on community supervision for two years, and ordered him to pay court costs. Karram completed his supervision and was discharged on November 18, 2014.
8. On November 19, 2012, Karram pleaded guilty to theft by check \$1,500 to \$20,000, a state jail felony, in cause no. 135527201010 at the 351st District Court in Harris County, Texas. The court ordered deferred adjudication, placed Karram on community supervision for two years, and ordered him to pay court costs. Karram completed his supervision and was discharged on November 18, 2014.
9. On November 1, 2016, Karram pleaded guilty to misapplication of trust funds greater than \$500, a third degree felony, in cause no. 15-11-12342 at the 221st District Court in Montgomery County, Texas. The court ordered deferred adjudication with ten years' community supervision, 100 hours of community service, court costs of \$329, and \$36,500 in restitution.

CONCLUSIONS OF LAW

1. The commissioner of insurance has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051–82.055, 4001.002, 4005.101, 4005.102, and 4054.301; TEX. GOV'T CODE §§ 2001.051–2001.178; 28 TEX. ADMIN. CODE § 1.502; and TEX. OCC. CODE §§ 53.021–53.023.
2. The commissioner has the authority to dispose of this case informally pursuant to TEX. GOV'T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89.
3. Based on 28 TEX. ADMIN. CODE § 19.906, Karram's last known address is presumed to be 5315 Cypress Creek Pkwy, Apt. B202, Houston, Texas 77069.
4. The department sent a notice of hearing to Karram'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.

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5. The allegations in the notice of hearing, set out herein as findings of fact nos. 1–2 and 5–9, are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.
6. Pursuant to TEX. OCC. CODE § 53.021(c)–(d), the commissioner may consider Karram to have been convicted of an offense because he completed the period of supervision less than five years before the date he applied for the license, and, after consideration of the factors described by TEX. OCC. CODE §§ 53.022 and 53.023(a), the commissioner determines that:
 - a. Karram may pose a continued threat to public safety; or
 - b. Karram’s employment in the business of insurance would give him the opportunity to repeat the prohibited conduct.
7. Based on Karram’s prior criminal history, Karram has committed acts for which a license may be denied under TEX. INS. CODE, Chapter 4005, Subchapter C, because:
 - a. he has engaged in fraudulent or dishonest acts or practices, as contemplated by TEX. INS. CODE § 4005.101(b)(5); and
 - b. he has been convicted of a felony, as contemplated by TEX. OCC. CODE § 53.021(a) and (d) and TEX. INS. CODE § 4005.101(b)(8).
8. Karram committed an offense and has engaged in fraudulent or dishonest activity that directly relates to the duties and responsibilities of the licensed occupation as contemplated in 28 TEX. ADMIN. CODE § 1.502(d) and (f).
9. Karram committed an offense that the department considers to be of such serious nature that it is of prime importance in determining fitness for licensure or authorization, as contemplated by 28 TEX. ADMIN. CODE § 1.502(e).
10. Karram 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. Karram committed an offense with the essential elements of a theft offense, as contemplated in 28 TEX. ADMIN. CODE § 1.502(e)(4)(F).
12. Karram committed a felony involving breach of fiduciary duty, as contemplated in 28 TEX. ADMIN. CODE § 1.502(e)(3).
13. 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;

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- 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 occupation;
- c. considers any offense for which fraud, dishonesty, or deceit is an essential element of prime importance when determining fitness for licensure; and
- d. considers the offenses of theft and breach of fiduciary duty to be of such a serious nature that they are of prime importance when determining fitness for licensure.

It is ordered that Edward Karram's application for a life agent license is denied.



Kevin Brady

Deputy Commissioner For Agency Affairs

Texas Department of Insurance

Delegation Order 4506

