

No. **4039**

OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE

Date: JUL 02 2015

Subject Considered:

RAE'LENE KENNEDY
2301 W. White Avenue #1216
McKinney, Texas 75071

DEFAULT ORDER
SOAH DOCKET NO. 454-15-3991.C
TDI ENFORCEMENT CASE NO. 9017

General remarks and official action taken:

The commissioner of insurance considers disciplinary action against Rae'Lene Kennedy.

Findings of Fact

1. TDI issued Rae'Lene Kennedy (formerly Rae'Lene Bishop) escrow officer license no. 1887549 effective September 20, 2002, through December 31, 2014.
2. The last known address Kennedy filed with TDI was 2301 W. White Avenue, #1216, McKinney, Texas 75071.
3. On May 26, 2015, TDI sent a notice of hearing to Kennedy's last known address, as well as to 108 Avalon Drive, Princeton, Texas 75071.
4. On June 3, 2015, TDI sent a first amended notice of hearing to Kennedy's last known address, as well as to 108 Avalon Drive, Princeton, Texas 75071.
5. Kennedy failed to file a written response to the notice of hearing and the first amended notice of hearing within 20 days of the date TDI mailed the notice of hearing and the first amended notice of hearing.

Cause No. 5-86436-02

6. On November 14, 2002, the Collin County Criminal District Attorney's Office issued an information in cause no. 5-86436-02, which stated that, on April 15, 2002, Rae'Lene Bishop stole a 2002 Honda Accord valued at between \$500 and \$1500 by issuing and passing two checks without the effective consent of DS, the owner of the property.

7. On October 2, 2006, Rae'Lene Bishop pleaded guilty to the misdemeanor offense of theft by check \$500 to \$1500 in cause no. 5-86436-02. She was placed on community supervision for three months and required to pay a \$50 per month supervision fee. She was assessed \$261 in court costs, \$25 for a Crime Stoppers fee, and fined \$25.
8. On January 4, 2007, County Court at Law 5 of Collin County, Texas in cause no. 5-86436-02 discharged Rae'Lene Bishop from community supervision and dismissed the proceedings after she paid restitution.

Cause No. 2005-07128-Z

9. On September 19, 2005, the Denton County Criminal District Attorney's Office issued a probable cause affidavit in cause no. 2005-07128-Z because, on or about April 5, 2005, Rae'Lene Bishop issued an insufficient funds check (#584) to complainant Lake View Grocery (Kacy Kim) in the amount of \$33 drawn upon, but not honored by First Convenience Bank. A warrant was issued for Rae'Lene Bishop's arrest. With check and merchant fees, Rae'Lene Bishop owed \$78 in restitution to the Lake View Grocery.
10. On October 17, 2005, County Court at Law 4 of Denton County, Texas dismissed cause no. 2005-07128-Z because Rae'Lene Bishop paid restitution.

Titlelogic Texas Theft

11. In August, 2013, Titlelogic Texas ceased operations. Underwriter Fidelity National Title Insurance Company audited Titlelogic's escrow accounts and detected escrow shortages caused by unauthorized wire transfers made to an individual named Jessie Bishop:

No.	Date	Amount	Payee	Guar. file # / Borrower(s) Initials	Reason for wire to beneficiary
1	6/3/13	\$ 2,376.19	Jessie Bishop	1310143 DL / FBF & KPF	Proceeds from sale
2	6/7/13	\$ 563.72	Jessie Bishop	1310134 DL / FCH & MSH	Repayment of funds kicked back
3	6/12/13	\$ 513.77	Jessie Bishop	1310140OC /	Overage paid at closing
4	6/18/13	\$1,769.13	Jessie Bishop	1310153DL / DLT & RLT	Payment inv#39013
5	6/21/13	\$575.00	Jessie Bishop	1310167DL / IRC	Payment services #111903
6	6/24/13	\$1,489.63	Jessie Bishop	1310133DL / JN	Services for invoice #1006273
7	7/2/13	\$2,663.19	Jessie Bishop		Services rendered

No.	Date	Amount	Payee	Guar. file # / Borrower(s) Initials	Reason for wire to beneficiary
8	7/8/13	\$1,429.73	Jessie Bishop	1310178DL / EMDL	Services rendered
9	7/16/13	\$2,251.63	Jessie Bishop	1310165DL	Services rendered invoice #1309163
10	7/24/13	\$1,267.33	Jessie Bishop	1310168DL	Invoice #3277183 payment for services
11	7/26/13	\$3,983.25	Jessie Bishop	1310108DL	Commission
12	9/6/13	\$575.00	Jessie Bishop	No file#	No note
13	10/8/13	\$1,497.63	Jessie Bishop	No file#	No note
14	No date	\$3,962.13	Jessie Bishop	1310175DL	Commission
15	No date	\$3,962.00	Jessie Bishop	1310179DL	Commission
16	No date	\$850.02	Jessie Bishop	1310186DL	Services rendered
Total funds taken: \$29,729.35					

12. Rae'Lene Kennedy sent the unauthorized wires from Titlelogic's bank to Jessie Bishop. Rae'Lene Kennedy was Titlelogic's sole Texas escrow officer and the only employee with permission to send wire transfers.
13. The settlement statements do not show that the parties authorized any payments to Jessie Bishop.
14. The disbursement sheets for the files also indicate that no funds were owed (or disbursed) to Jessie Bishop.
15. The wire sent to Jessie Bishop on June 3, 2013, has a note on the wire request indicating that Jessie Bishop is receiving the "proceeds from sale GF 1310143 DL." However, the documents in the guaranty file, including the settlement statement, do not show that Jessie Bishop was a party to or entitled to funds from the transaction. Instead, the documents show that this was a refinance transaction for borrowers FH and SH. The disbursement sheet shows an overage in the file of \$584.84, which was owed FH and SH. The disbursement sheet also shows a wire was booked to FH and SH for the same amount, but was "not issued" (and no check number was shown). The overage disappeared a few days later, when a wire for \$563.72 was sent to Jessie Bishop with notes stating that he was being repaid from this file even though he never provided any funds for the file.

16. In another file with GF #1310178 DL, the transaction never closed as indicated by the receipts and disbursements ledger. The wire request on July 8, 2013, indicated that Jessie Bishop was owed \$1,429.73 from a transaction that did not occur.
17. On June 24, 2013, Rae'Lene Kennedy sent an unauthorized wire transfer to Jessie Bishop at the address listed on her application for a Texas escrow officer's license.
18. On February 3, 2015, Titlelogic filed a complaint with TDI about Rae'Lene Kennedy.
19. After Titlelogic closed, Rae'Lene Kennedy went to work for Maverick Title of Texas dba Texas Title.

Conclusions of Law

1. The commissioner has jurisdiction pursuant to TEX. INS. CODE §§ 82.051-82.055, 2702.053, 2652.201, and 2651.202; 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 informally dispose of this case.
3. Based on 28 TEX. ADMIN. CODE § 19.906, Kennedy's last known address is presumed to be 2301 W. White Avenue #1216, McKinney, Texas 75071.
4. TDI sent a notice of hearing to Kennedy'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.
5. The allegations in the notice of hearing, set out as findings of fact nos. 6-19, are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.
6. Rae'Lene Kennedy violated TEX. INS. CODE § 2651.202, which prohibits a title insurance company, title insurance agent, or direct operation from disbursing funds from a trust fund account until good funds related to the transaction have been received and deposited in the account in amounts sufficient to fund any disbursements from the transaction.
7. Rae'Lene Kennedy violated TEX. INS. CODE § 2702.053(a) because each closing and settlement statement provided to a party to a transaction described by § 2702.052(a) must state the name of any person receiving any amount from that party.
8. TEX. INS. CODE § 2652.201(4) and (5) authorize TDI to discipline an escrow officer under §§ 4005.102, 4005.103, and 4005.104 if TDI determines that the applicant or license holder has:
 - a. misappropriated or converted to the escrow officer's own use or illegally withheld money belonging to a title insurance agent, direct operation, or another person.

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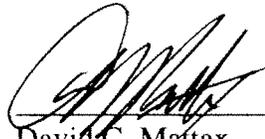
COMMISSIONER'S ORDER

Rae'Lene Kennedy

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b. been guilty of fraudulent or dishonest practices.

The commissioner revokes Rae'Lene Kennedy's escrow officer license.



David C. Mattax
Commissioner of Insurance

Affidavit

State of Texas §
County of Travis §

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

“My name is Ginger Yocom 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 Rae’Lene Kennedy. I have confirmed that:

- a. 2301 W. White Avenue #1216, McKinney, Texas 75071 is the last mailing address Kennedy provided to TDI in writing.
- b. The file maintained by the Enforcement Section of the Compliance Division contains a notice of hearing dated May 26, 2015, and a first amended notice of hearing dated June 3, 2015, filed with the State Office of Administrative Hearings.
- c. A certified letter, return receipt requested, and a first class letter, containing a notice of hearing and a certified letter, return receipt requested, and a first class letter, containing a first amended notice of hearing addressed to Kennedy’s last known address, as well as to 108 Avalon Drive, Princeton, Texas 75407, were deposited in the United States mails.

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

Ginger Yocom
Affiant

SWORN TO AND SUBSCRIBED before me on June 30, 2015.

(NOTARY STAMP)

Irene Ruedas-Silvas
Signature of Notary Public

