OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE

Date: AUG 15 2016

Subject Considered:

FRANK JACKSON II
16112 North Fwy Apt. 2834
Houston, Texas 77090

DEFAULT ORDER
SOAH DOCKET NO. 454-16-5059.C
TDI ENFORCEMENT FILE NO. 10655

General remarks and official action taken:

The commissioner of insurance considers disciplinary action against Frank Jackson II.

FINDINGS OF FACT

1. Jackson currently holds a life agent license, issued by the Texas Department of Insurance on July 2, 2015.

2. The department’s records show the last known mailing address Jackson provided to the department in writing is 16112 North Fwy Apt. 2834, Houston, Texas 77090.

3. On July 12, 2016, the department sent a notice of hearing to Jackson’s last known mailing address by certified mail, return receipt requested and first class mail. The department also sent a notice of hearing to two alternative addresses via certified mail, return receipt requested, and first class mail: 17030 Nanes Drive No. 111, Houston, Texas 77090 and 16112 North Fwy Apt. 2824, Houston, Texas 77090.

4. Jackson failed to file a written response to the notice of hearing within 20 days of the date the notice was mailed to his last known address.

5. Jackson was appointed with American Income Life Insurance Company (American Income) from July 2, 2015, until November 9, 2015, when American Income canceled his appointment for cause.
6. American Income pays a commission to a producing agent upon receipt of a completed insurance application. A commission that is paid up front is commonly referred to as an advanced commission.

7. To earn the entire advanced commission, the policy must stay in force for the whole term. If the policy cancels before the policy term ends, the agent must return the unearned commission to the company.

8. Between August 7, 2015, and October 27, 2015, Jackson submitted at least 18 fraudulent applications to American Income. After American Income paid Jackson advance commissions, these policies lapsed or canceled for non-payment. Jackson collected at least $2,430.30 in advanced commissions relating to these policies.

9. Jackson submitted applications to American Income that contained bank accounts belonging to Jackson, instead of the individuals listed on the applications. American Income was unable to verify to whom the bank accounts belonged for five applications.

10. Since all of the fraudulently obtained policies lapsed or canceled for non-payment, the commissions advanced to Jackson are unearned and he is obligated to return them to American Income.

11. The department attempted to contact Jackson via certified mail and first class mail, at the last address he provided to the department in writing. The department also attempted to contact Jackson at two alternative addresses. The department received the mail marked return to sender, unable to forward, thereby notifying the department that Jackson’s address has changed. Jackson failed to report a change of address to the department.

**CONCLUSIONS OF LAW**

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 84.021-84.022, 4001.002, 4005.101, 4005.102, and 4054.301; and TEX. GOV’T CODE §§ 2001.051-2001.178.

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, Jackson’s last known mailing address is presumed to be 16112 North Fwy Apt. 2834, Houston, Texas 77090.

4. The department mailed a notice of hearing to Jackson’s last known mailing 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 department’s allegations in the notice of hearing, set out herein as findings of fact nos. 1 and 5-11, are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.

6. Jackson engaged in fraudulent or dishonest acts or practices, as contemplated by TEX. INS. CODE § 4005.101(b)(5).

7. Jackson misappropriated, converted to his own use, or illegally withheld money belonging to an insurer, insured, enrollee, or beneficiary as contemplated by TEX. INS. CODE § 4005.101(b)(4).

8. Jackson failed to timely report a change of address to the department, as contemplated by TEX. INS. CODE § 4001.252(a)(1) and 28 TEX. ADMIN. CODE § 19.906.

The commissioner of insurance revokes Frank Jackson II’s life agent license. The commissioner orders Jackson to pay $2,430.30 in restitution to American Income Life Insurance Company within 30 days from the date of this order. Jackson must send written proof of payment of restitution in full to the Texas Department of Insurance, Attn: Catherine Bell, or her successor, Enforcement Section, MC 110-1A, P.O. Box 149104, Austin, TX 78714-9104, within 30 days from the date of this order.

David G. Mattax
Commissioner of Insurance
**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 Frank Jackson II and I have confirmed that:

1. The last mailing address provided to the department in writing by Frank Jackson II was 16112 North Fwy Apt. 2834, Houston, Texas 77090.

2. The file maintained by the Enforcement Section of the Compliance Division contains a notice of hearing dated July 12, 2016, filed with the State Office of Administrative Hearings.

3. A certified letter, return receipt requested, and a first class mailing, each containing a notice of hearing, addressed to Frank Jackson II’s last known address, were deposited in the United States mails.

4. A certified letter, return receipt requested, and a first class mailing, each containing a notice of hearing, addressed to Frank Jackson II at two additional addresses, 17030 Nanes Drive No. 111, Houston, Texas 77090 and 16112 North Fwy Apt. 2824, Houston, Texas 77090, were deposited in the United States mails.

Copies of the certified and first class mail logs are attached as exhibits A and B.”

**Affiant**

Ginger Yocom

**Affiant**

SWORN TO AND SUBSCRIBED before me on **August 8**,** 2016.**

**(NOTARY STAMP)**

**MICAH MIRELES**

Notary Public, State of Texas

**MICAH MIRELES**

Notary Public

STATE OF TEXAS

Commission Exp. APRIL 18, 2017

Notary without Bond
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