

No. 2017-4937

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

**Date:** FEB 17 2017

**Subject Considered:**

NANCY BOONE  
4728 Country Club Dr.  
Midland, Texas 79703-4516

**DEFAULT ORDER**  
SOAH DOCKET NO. 454-17-1756.C  
TDI ENFORCEMENT FILE NO. 10348

**General remarks and official action taken:**

The commissioner of insurance considers whether disciplinary action should be taken against Nancy Boone.

**FINDINGS OF FACT**

The commissioner makes the following findings of fact:

1. Nancy Boone, individual identification number 1125088, holds a general lines agent license with a property and casualty qualification that the department issued on June 19, 2012.
2. On December 19, 2016, the department sent an amended notice of hearing to Nancy's last known address provided in writing to the department, 4728 Country Club Dr., Midland, Texas 79703-4516, and two additional addresses: 700 E. 8th St., Odessa, Texas 79761-4249, and 4414 Oaksong Dr., Greenville, North Carolina 27834.
3. Nancy failed to file a written response to the amended notice of hearing within 20 days of the date the amended notice of hearing was mailed.
4. Nancy's daughter, Shalonda Boone, individual identification number 1119293, also holds a general lines agent license with a property and casualty qualification that the department issued on May 17, 2012.
5. On June 20, 2012, Shalonda purchased a Pronto Insurance Agency franchise from Pronto Franchise, LLC. Pronto Franchise, LLC operates under certain registered trademarks owned by Pronto General Agency, Ltd (collectively, Pronto Insurance).

6. On October 19, 2012, Shalonda registered Gateway Integrative Services, Inc., with the Texas Secretary of State as a foreign for-profit corporation. Shalonda and Nancy operated the franchise under Gateway Integrative Services, Inc. d/b/a Pronto FR40. Gateway Integrative Services, Inc. was not licensed as an agency by the department. In addition, Pronto FR40 was not registered as a trade style with the department.
7. Shalonda hired Nancy to be a sales associate around September 13, 2012.
8. From approximately June 2012, to March 2013, the franchise faced financial difficulties. Consequently, Nancy loaned Shalonda \$250,000 through a series of promissory notes.
9. On more than one occasion in 2013, Pronto Insurance swept Shalonda's bank account and discovered insufficient funds. As a result, from approximately January 2014, to February 2015, Pronto Insurance and Shalonda entered into a series of promissory notes that identified a payment plan for Shalonda.
10. On or about November 19, 2014, Shalonda and Nancy hired Paul Gwazdauskas to help market and solicit Pronto FR40's insurance policies and products. Gwazdauskas does not hold a license or authorization from the department.
11. Because of her continuing financial difficulties, on April 7, 2015, Shalonda named Nancy the designated principal officer of Pronto FR40. On May 13, 2015, Nancy filed a Texas Franchise Tax Public Information Report (Form 05-102) with the Texas Comptroller's Office that listed her as the designated principal. Nancy did not notify the department of Pronto FR40's change in management.
12. By April 22, 2015, Shalonda and Nancy owed \$12,959.86 in unremitted premiums to Pronto Insurance. On April 23, 2015, Pronto Insurance terminated the franchise, Pronto FR40, and required Nancy and Shalonda to cease all operations.
13. On April 29, 2015, Pronto Insurance terminated Nancy's and Shalonda's appointment. Nancy continued to issue Pronto Insurance policies after her appointment was terminated.
14. On May 4, 2015, Shalonda filed for Chapter 13 bankruptcy.
15. Despite Pronto FR40's termination and Pronto Insurance's instruction to cease all operations, Nancy continued to operate the franchise. In fact, she continued to issue Pronto Insurance policies and collect premiums until at least May 26, 2015.
16. At some point after Pronto Insurance terminated the franchise, it shut down Pronto FR40's computer system. Without the computer system, Nancy could not electronically record premium payments. Even though she could not record payments and was not authorized to issue Pronto Insurance policies, on May 22, 2015, Nancy persuaded multiple insureds to pay premiums to her by promising one year of free insurance if she did not update the computer records with their policy information. Pronto Insurance

- policies did not include a provision for one year of free insurance if a premium payment was remitted but not recorded in the computer system.
17. Nancy collected and pocketed at least \$6,202.40 in premiums. Nancy kept the premiums to offset the commissions she alleged Pronto Insurance owed her.
  18. In May of 2015, Pronto Insurance sought temporary and permanent injunctive relief against Nancy Boone, Paul Gwazdauskas, and other involved parties in the District Court of Ector County, Texas. Nancy Boone admitted to keeping premiums in her pleadings submitted to the court as well as her testimony. Paul Gwazdauskas also admitted to engaging in the business of insurance without a license. On May 22, 2015, the court issued a temporary restraining order.
  19. On December 15, 2015, Pronto Insurance appeared and announced ready for trial. Nancy Boone, Paul Gwazdauskas, and the other parties did not appear. The court entered a judgment granting Pronto Insurance's requested relief and awarding Pronto Insurance \$336,608.75. This award included actual damages in the amount of \$71,188.24. These damages were based on (1) capitol, business, and agency expenses incurred by Nancy when she opened the franchise after Pronto Insurance had terminated it; (2) temporary lease agreement payments charged to Pronto Insurance as Nancy, without any authority, entered Pronto Insurance into a lease agreement; and (3) \$6,202.40 in premiums that Nancy collected and kept after the franchise terminated. As of this time, Nancy has not paid any monies owed to Pronto Insurance.
  20. In addition, Nancy completed zero of the 30 required continuing education hours during the reporting period from June 19, 2012, through June 18, 2014.

### CONCLUSIONS OF LAW

The commissioner makes the following conclusions of law:

1. The commissioner has jurisdiction pursuant to TEX. INS. CODE §§ 82.051–82.056, 4001.002, 4005.101–4005.102, 4051.051, 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, Nancy's last known address is presumed to be 4728 Country Club Dr., Midland, Texas 79703-4516.
4. The department sent an amended notice of hearing to Nancy'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 amended notice of hearing, set out herein as findings of fact nos. 1 and 4–20, are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.
6. Nancy has committed an act for which a license may be revoked under TEX. INS. CODE § 4005.101.
7. Nancy engaged in fraudulent or dishonest acts or practices, in violation of TEX. INS. CODE § 4005.101(b)(5).
8. Nancy misappropriated, converted to her own use, or illegally withheld money belonging to an insured, insurer, or beneficiary, in violation of TEX. INS. CODE § 4005.101(b)(4).
9. Nancy, as the designated principal officer of Pronto FR40, failed to notify the department of the removal of Shalonda, a manager, as required by TEX. INS. CODE § 4001.252(c)(3).
10. Nancy permitted her unlicensed employee, Paul Gwazdauskas, to perform the acts of an agent as defined in TEX. INS. CODE § 4001.051.
11. Nancy permitted her unlicensed employee, Paul Gwazdauskas, to solicit applications for insurance, aiding in the transaction of the business of insurance in violation of TEX. INS. CODE § 4001.101.
12. Nancy misrepresented an insurance policy by making an untrue statement of material fact in violation of TEX. INS. CODE § 541.061.
13. Nancy directly, or indirectly paid, allowed, gave, or offered to pay, allow or give as an inducement to insurance a thing of value or other inducement that is not specified in the policy in violation of TEX. INS. CODE § 543.003.
14. Nancy failed to complete all required continuing education hours for the relevant renewal period, as contemplated by TEX. INS. CODE §§ 4004.051 (West 2005), 4004.053 (West 2009), and 4004.054.
15. Nancy failed to timely report a change of address to the department as contemplated by 28 TEX. ADMIN. CODE § 19.906.
16. Nancy failed to obtain a separate license for Gateway Integrative Services, Inc. in violation of 28 TEX. ADMIN. CODE § 19.902.
17. Nancy failed to register assumed names and/or additional offices by filing with the department a completed form LDTL together with the required fee, as contemplated in 28 TEX. ADMIN. CODE § 19.902(c).

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COMMISSIONER'S ORDER

Nancy Boone

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The commissioner of insurance revokes Nancy Boone's general lines agent license with a property and casualty qualification.



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David C. Mattax  
Commissioner of Insurance

By: Kevin Brady  
Delegation Order 4506

**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.

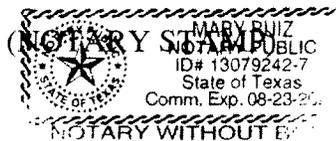
I have reviewed TDI’s records concerning Nancy Boone. I have confirmed that:

- a. The last mailing address provided to the department by Nancy Boone in writing is 4728 Country Club Dr., Midland, Texas 79703-4516.
- b. The file maintained by the Enforcement Section of the Compliance Division contains an amended notice of hearing dated December 19, 2016, filed with the State Office of Administrative Hearings.
- c. On December 19, 2016, certified letters, return receipt requested, and first class mailings each containing an amended notice of hearing were sent to Nancy Boone’s last known address 4728 Country Club Dr., Midland, Texas 79703-4516, and two additional addresses: 700 E. 8th St., Odessa, Texas 79761-4249, and 4414 Oaksong Dr., Greenville, North Carolina 27834.

Copies of the USPS Tracking Information sheet for the certified mailings and the first class mail log maintained by the Enforcement Section are attached as Exhibits A and B.”

Ginger G. Yocom  
Affiant

SWORN TO AND SUBSCRIBED before me on February 8, 2017.



Mary Ruiz  
Signature of Notary Public

English

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Tracking Number: 70142120000157611882

Updated Delivery Day: Tuesday, January 24, 2017

## Product & Tracking Information

## Available Actions

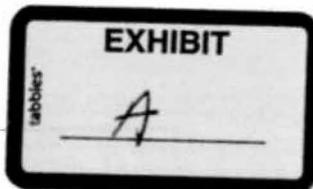
Postal Product:

Features:  
Certified Mail™

DATE & TIME	STATUS OF ITEM	LOCATION
January 24, 2017, 7:08 am	Delivered, To Original Sender	AUSTIN, TX 78714
Your item has been delivered to the original sender at 7:08 am on January 24, 2017 in AUSTIN, TX 78714.		
January 24, 2017, 12:22 am	Arrived at Unit	AUSTIN, TX 78714
January 23, 2017, 1:52 pm	In Transit to Destination	
January 22, 2017, 1:52 pm	Arrived at USPS Facility	AUSTIN, TX 78710
January 21, 2017, 5:26 pm	In Transit to Destination	
January 20, 2017, 5:26 pm	Arrived at USPS Facility	MERRIFIELD, VA 22081
January 6, 2017, 1:51 pm	Unclaimed/Max Hold Time Expired	SUFFOLK, VA 23434
December 23, 2016, 12:29 am	In Transit to Destination	
December 22, 2016, 12:29 am	Departed USPS Facility	NORFOLK, VA 23501
December 21, 2016, 10:39 pm	Arrived at USPS Facility	NORFOLK, VA 23501
December 20, 2016, 11:43 pm	In Transit to Destination	
December 20, 2016, 2:39 am	Departed USPS Facility	AUSTIN, TX 78710
December 19, 2016, 10:11 pm	Arrived at USPS Facility	AUSTIN, TX 78710

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Tracking (or receipt) number



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Tracking Number: 70142120000157611875

Updated Delivery Day: Thursday, December 29, 2016

## Product & Tracking Information

## Available Actions

Postal Product:

Features:  
Certified Mail™

DATE & TIME	STATUS OF ITEM	LOCATION
December 29, 2016 , 7:02 am	Delivered, To Original Sender	AUSTIN, TX 78714

Your item has been delivered to the original sender at 7:02 am on December 29, 2016 in AUSTIN, TX 78714

December 29, 2016 , 2:14 am	Arrived at Unit	AUSTIN, TX 78714
December 28, 2016 , 1:00 pm	Arrived at USPS Facility	AUSTIN, TX 78710
December 22, 2016 , 10:00 am	Moved, Left no Address	MIDLAND, TX 79705
December 21, 2016 , 11:07 am	Undeliverable as Addressed	MIDLAND, TX 79703
December 21, 2016 , 7:00 am	Arrived at Unit	MIDLAND, TX 79705
December 21, 2016 , 12:42 am	Departed USPS Facility	MIDLAND, TX 79711
December 21, 2016 , 12:23 am	Arrived at USPS Facility	MIDLAND, TX 79711
December 20, 2016 , 10:11 pm	In Transit to Destination	
December 20, 2016 , 2:39 am	Departed USPS Facility	AUSTIN, TX 78710
December 19, 2016 , 10:11 pm	Arrived at USPS Facility	AUSTIN, TX 78710

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Tracking Number: 70142120000157611868

Updated Delivery Day: Thursday, December 29, 2016

## Product & Tracking Information

## Available Actions

Postal Product:

Features:

Certified Mail™

DATE & TIME	STATUS OF ITEM	LOCATION
December 29, 2016 , 7:02 am	Delivered	AUSTIN, TX 78714

Your item was delivered at 7:02 am on December 29, 2016 in AUSTIN, TX 78714.

December 29, 2016 , 2:13 am	Arrived at Unit	AUSTIN, TX 78714
December 28, 2016 , 1:18 pm	Arrived at USPS Facility	AUSTIN, TX 78710
December 22, 2016 , 12:23 am	In Transit to Destination	
December 21, 2016 , 12:42 am	Departed USPS Facility	MIDLAND, TX 79711
December 21, 2016 , 12:23 am	Arrived at USPS Facility	MIDLAND, TX 79711
December 20, 2016 , 10:11 pm	In Transit to Destination	
December 20, 2016 , 2:39 am	Departed USPS Facility	AUSTIN, TX 78710
December 19, 2016 , 10:11 pm	Arrived at USPS Facility	AUSTIN, TX 78710

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Tracking Number: 70142120000157611851

## Product & Tracking Information

## Available Actions

Postal Product:

Features:  
Certified Mail™

DATE & TIME	STATUS OF ITEM	LOCATION
January 9, 2017 , 7:28 am	Delivered	AUSTIN, TX 78714

Your item was delivered at 7:28 am on January 9, 2017 in AUSTIN, TX 78714

January 8, 2017 , 1:22 am	In Transit to Destination	
January 7, 2017 , 4:53 am	Arrived at Unit	AUSTIN, TX 78714
January 6, 2017 , 1:22 pm	Arrived at USPS Facility	AUSTIN, TX 78710
January 5, 2017 , 10:41 am	Departed USPS Facility	NORTH TEXAS PROCESSING AND DISTRIBUTION CENTER
December 22, 2016 , 9:13 am	Undeliverable as Addressed	IRVING, TX 75061
December 21, 2016 , 8:43 am	Out for Delivery	IRVING, TX 75061
December 21, 2016 , 8:28 am	Sorting Complete	IRVING, TX 75061
December 21, 2016 , 7:12 am	Arrived at Unit	IRVING, TX 75061
December 20, 2016 , 1:23 pm	Arrived at USPS Facility	NORTH TEXAS PROCESSING AND DISTRIBUTION CENTER
December 20, 2016 , 2:39 am	Departed USPS Facility	AUSTIN, TX 78710
December 19, 2016 , 10:11 pm	Arrived at USPS Facility	AUSTIN, TX 78710

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2017-4937

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Tracking Number: 70142120000157611844

Updated Delivery Day: Tuesday, December 27, 2016

## Product & Tracking Information

## Available Actions

Postal Product:

Features:  
Certified Mail™

DATE & TIME	STATUS OF ITEM	LOCATION
December 27, 2016 , 10:36 am	Delivered, To Original Sender	AUSTIN, TX 78701

Your item has been delivered to the original sender at 10:36 am on December 27, 2016 in AUSTIN, TX 78701

December 27, 2016 , 1:49 am	Arrived at Unit	AUSTIN, TX 78744
December 26, 2016 , 10:18 pm	Departed USPS Facility	AUSTIN, TX 78710
December 26, 2016 , 4:07 pm	Arrived at USPS Facility	AUSTIN, TX 78710
December 25, 2016 , 10:12 pm	In Transit to Destination	
December 24, 2016 , 10:12 pm	Arrived at USPS Facility	RALEIGH, NC 27676
December 23, 2016 , 7:39 am	Moved, Left no Address	GREENVILLE, NC 27834
December 23, 2016 , 7:37 am	Arrived at Unit	GREENVILLE, NC 27834
December 22, 2016 , 9:45 pm	In Transit to Destination	
December 22, 2016 , 4:56 am	Departed USPS Facility	ROCKY MOUNT, NC 27801
December 21, 2016 , 5:19 pm	Arrived at USPS Facility	ROCKY MOUNT, NC 27801
December 20, 2016 , 11:43 pm	In Transit to Destination	
December 20, 2016 , 2:39 am	Departed USPS Facility	AUSTIN, TX 78710
December 19, 2016 , 10:11 pm	Arrived at USPS Facility	AUSTIN, TX 78710

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21

Name and Address of Sender  
Texas Dept of Insurance  
Mail Code 110-1A  
333 Guadalupe St  
Austin TX 78701  
Ginger Yocom  
December 19, 2016

Check type of mail or service

Adult Signature Required       Priority Mail Express

Adult Signature Restricted Delivery       Registered Mail

Certified Mail       Return Receipt for Merchandise

Certified Mail Restricted Delivery       Signature Confirmation

Collect on Delivery (COD)       Signature Confirmation Restricted Delivery

Insured Mail

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

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
Amy/NOH/10348	Nancy Boone 123 Lake Front Dr. Suffolk, VA 23434-6747	.54												
Amy/NOH/10348	Nancy Boone 4728 Country Club Dr. Midland, TX 79703-4516	.54												
Amy/NOH/10348	Nancy Boone 700 E 8th St Odessa, TX 79761-4628	.54												
Amy/NOH/10348	Nancy Boone 4544 W Pioneer Dr Apt 419 Irving, TX 75061-3847	.54												
Amy/NOH/10348	Nancy Boone 4414 Oaksong Dr. Greenville, North Carolina 27834	.54												

Handing Chg.

Handing Chg.  
\$0.000 in value

neopost #  
12/19/2016

US POSTAGE \$001.80<sup>00</sup>

ZIP 78701  
041112203074

OFFICIAL BUSINESS  
STATE OF TEXAS  
PENALTY FOR PRIVATE USE

Adult Signature Required  
Adult Signature Restricted Delivery  
Restricted Delivery  
Return Receipt  
Signature Confirmation  
Signature Confirmation Restricted Delivery  
Special Handling

2017-4937

Total Number of Pieces Listed by Sender

Total Number of Pieces Received at Post Office

Postmaster, Per (Name of receiving employee)

