

No. 2018 - 5598

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

Date: AUG 01 2018

Subject Considered:

MYRNA CECILIA PADILLA
5361 Jordan Ridge Drive
Dallas, Texas 75236-1895

DEFAULT ORDER
TDI ENFORCEMENT CASE NO. 13272
SOAH DOCKET NO. 454-18-2831.C

General remarks and official action taken:

The subject of this order is whether disciplinary action should be taken against Myrna Cecilia Padilla (Padilla).

FINDINGS OF FACT

TDI Records

1. According to Texas Department of Insurance (TDI) records, Padilla holds limited lines agent license no. 1974831 issued on January 26, 2015, which expires November 13, 2019. Padilla held a county mutual license from April 9, 2010, through April 9, 2012, which she failed to renew.
2. TDI's records show that the last known mailing address Padilla provided in writing to TDI was 5361 Jordan Ridge Drive, Dallas, Texas 75236-1895.

Cause No. MB03-63436-B - Misdemeanor Theft of Property Greater Than or Equal to \$50, but less than \$500

3. On December 4, 2003, a Dallas, Texas police officer arrested Padilla after she stole property valued at \$196.24 from Albertson's Grocery Stores.
4. On August 15, 2005, Padilla pled nolo contendere to misdemeanor theft \$50 to \$500 in cause no. MB03-63436-B in the County Criminal Court No. 2 of Dallas County, Texas. She received nine months of deferred adjudication.

5. On June 1, 2006, the County Criminal Court No. 2 of Dallas County, Texas entered an order dismissing the deferred proceedings in cause no. MB03-63436-B.

Cause no. MB 1003865B – Theft of Merchandise

6. On or about July 19, 2008, the Dallas County, Texas criminal district attorney filed an information in cause no. MB1003865B, charging Padilla with theft of merchandise of the value of \$20 or more, but less than \$500, because Padilla personally issued and passed a check payable in the amount of \$223.30 to the Dallas County Tax Office. The check was returned unpaid.
7. On December 30, 2009, BD filed a complaint against Padilla alleging that on or about July 19, 2008, Padilla unlawfully appropriated merchandise valued at \$223.30 from the owner, BD, without the owner's consent. On the same day, the assistant district attorney of Dallas County, Texas filed an affidavit for warrant of arrest and detention of Padilla.
8. On September 15, 2011, the Dallas County criminal district attorney dismissed cause no. MB1003865B against Padilla after she paid full restitution to the Dallas County Criminal District Attorney's office.

Material Misstatement on TDI License Application

9. On or about January 25, 2015, TDI received Padilla's application for a limited lines license.
10. Screening Question No. 7 on the license application reads:
Excluding traffic violations and first offense DWI:
 - a. *Do you currently have any **pending misdemeanor or felony charges** (by indictment, information or any other instrument) filed against you in Texas, in any other state or by the federal government?*
 - b. *Have you ever been **convicted of any misdemeanor or felony offense** in Texas, in any other state or by the federal government?*
 - c. *Have you ever had **adjudication deferred on any misdemeanor or felony charge or offense** in Texas, in any other state or by the federal government?*
 - d. *Have you ever **served any period of probation** for any misdemeanor or felony offense in Texas, in any other state or by the federal government?*
11. In response to Screening Question No. 7 on her limited lines license application, Padilla answered "NO" to subparts (a), (b), (c), and (d). Padilla should have answered "YES" to subpart (c) because she received nine months deferred adjudication for her 2003, misdemeanor theft offense in cause no. MB03-63436-B.

Subsequent Fraudulent and Dishonest Conduct

12. On June 2, 2015, Padilla joined CIGH Services, Inc. also known as Confie Insurance Group (Confie) as a sales agent. Confie is the parent company of Baja Auto Insurance Group and Freeway Insurance Services of Texas, Inc. (Freeway Insurance Services).
13. In June 2016, Padilla became a Freeway Insurance district manager. Her responsibilities included visiting district offices, picking up customers' cash auto insurance payments, and depositing them into the bank. She was the sole person authorized to take cash from the safe in her district offices for deposit at the bank. After Padilla picked up the daily deposit, she was responsible for electronically sending the bank receipt and deposit paperwork to the corporate office for reconciliation.
14. In July 2016, Confie's loss prevention department determined that there was a missing deposit for the month of July in the amount of \$1,440.80.
15. In August 2016, Confie's loss prevention department began reviewing the deposits for Padilla's district.
16. By early December, Confie noticed a pattern of inconsistent deposits. Padilla was making deposits days and weeks late, or not at all. There were cash shortages. Although Padilla was required to make the deposit within a day of the transaction, a payment would show up several days or more after the transaction occurred.
17. On December 2, 2016, Confie's accounting department produced an itemized list of all of the 26 outstanding deposits, which totaled \$23,477.13.
18. Padilla began catching up on deposits and sending receipts to Confie's accounting and loss prevention departments. Bank of America identified three receipts for which there was no money in the bank and no match with any other deposits. Bank of America rejected these receipts for payment and determined that they were altered and invalid.
19. Confie's Vice President of Sales, and Padilla's direct manager, JV, informed Padilla that Confie had determined that some of the receipts she provided were altered and invalid.
20. On December 12, 2016, Padilla informed Confie in writing that she lost two deposits and asked another employee, GZ, to manufacture false receipts. (When asked later, the other employee, who had since separated from Confie, denied making the false receipts).
21. On December 12, 2016, Padilla separated from Confie.
22. After Padilla's departure, Confie's accounting department continued to reconcile the charges. Several Confie offices were missing deposits entirely. Confie determined the money shortage for Padilla's district was \$13,411.65.

23. On January 23, 2017, Baja Auto Insurance manager, JV, filed a report with the Fort Worth Police Department. The report stated that from August 2016, to November 2016, Padilla stole \$13,411.65 in non-deposited bank slips without the owner's consent. Padilla also forged bank slips, on which Bank of America did not pay.

Cause no. 1494674-Felony Theft of Property Greater than or Equal to \$2,500, but less than \$30,000 Indictment

24. On May 30, 2017, after convening in Criminal District Court No. 4 of Tarrant County, Texas, the Grand Jurors of Tarrant County, Texas indicted Padilla for theft of property, greater than or equal to \$2,500 but less than \$30,000.
25. On May 11, 2017, Confie reported Padilla's theft to TDI.
26. On August 21, 2017, the Criminal District Court No. 4 of Tarrant County, Texas, dismissed the charges in *the State of Texas v. Myrna Padilla*, cause no. 1494674, after Padilla paid restitution.
27. On September 14, 2017, Padilla informed TDI in writing that:
- a. She worked at Freeway Insurance [Baja Auto Insurance] as an agent for one year.
 - b. She was a District Manager from June to December 2016.
 - c. [JV] fired her on December 12, 2016.
 - d. Afterward, she claimed unemployment.
 - e. Freeway Insurance sued her for \$13,411.65.
 - f. She went to criminal court to take care of it.
 - g. She agreed to pay \$13,411.65 to Freeway Insurance.

Failure to Respond to Notice of Hearing

28. On March 23, 2018, TDI sent a notice of hearing to Padilla's last known address provided in writing to TDI, 5361 Jordán Ridge Drive, Dallas, Texas 75236-1895.
29. Padilla failed to file a written response to the notice of hearing within 20 days of the date TDI mailed the notice of hearing.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction pursuant to TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101, 4005.102, 4051.101 and 4054.101; 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. Pursuant to 28 TEX. ADMIN. CODE § 19.906, Padilla's last known mailing address is presumed to be 5361 Jordan Ridge Drive, Dallas, Texas 75236-1895.
4. TDI sent a notice of hearing to Padilla'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. 1-27, are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.
6. TDI guidelines, 28 TEX. ADMIN. CODE § 1.502(c)-(e), emphasize that TDI:
 - a. considers it very important that license holders be honest, trustworthy, and reliable;
 - b. may revoke, suspend or refuse to renew a license or authorization if TDI determines that the license holder has committed a felony or misdemeanor, or has engaged in fraudulent or dishonest activity that directly relates to the duties and responsibilities of the licensed occupation, and;
 - c. considers crimes to be of such a serious nature that it is of prime importance when determining fitness for licensure when the crime is:
 - i. an offense for which fraud, dishonesty, deceit is an essential element. 28 TEX. ADMIN. CODE § 1.502(e)(1);
 - ii. an offense involving a criminal violation of the Texas Insurance Code or any state or federal insurance or security law regulating or pertaining to the business of insurance, 28 TEX. ADMIN. CODE § 1.502(e)(2); and
 - iii. a theft offense, as described by Penal Code, Chapter 31.
7. Padilla willfully violated an insurance law of this state, as contemplated by TEX. INS. CODE § 4005.101(b)(1).
8. Padilla intentionally made a material misstatement in a license application, as contemplated by TEX. INS. CODE § 4005.101(b)(2).
9. Padilla engaged in fraudulent or dishonest acts or practices, as contemplated by TEX. INS. CODE § 4005.101(b)(5).
10. Padilla misappropriated, converted to her own use, or illegally withheld money belonging to an insurer, HMO, or an insured, enrollee or beneficiary as contemplated by TEX. INS. CODE § 4005.101(b)(4).

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COMMISSIONER'S ORDER
Myrna Cecilia Padilla
Page 6 of 7

It is ordered that Myrna Cecilia Padilla's limited lines agent license is revoked.

A handwritten signature in black ink, appearing to read 'Kent C. Sullivan', is written over a horizontal line. The signature is stylized and cursive.

Kent C. Sullivan
Commissioner of Insurance



Name and Address of Sender
 MC-110-1A M. Cook
 Texas Department of Insurance
 333 Guadalupe St
 Austin TX 78701

- Check type of mail or service
- Adult Signature Required
 - Adult Signature Restricted Delivery
 - Certified Mail
 - Certified Mail Restricted Delivery
 - Collect on Delivery (COD)
 - Insured Mail
 - Priority Mail
 - Priority Mail Express
 - Registered Mail
 - Return Receipt for Merchandise
 - Signature Confirmation
 - Signature Confirmation Restricted Delivery

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	Addressee (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	
1. 9214 8901 9403 8300 0005 1246 94	MYRNA CECILIA PADILLA 5361 JORDAN RIDGE DRIVE DALLAS TX 75236	1.42	3.45	Handling Charge - if Registered and over \$50.000 in value							1.50				
RICKETTS/13272															

2018-5598

Total Number of Pieces Listed by Sender: 1
 Total Number of Pieces Received at Post Office: _____

EXHIBIT
 A

2018- 5598



Shipment Confirmation Acceptance Notice

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 03/23/2018

Shipped From:

Name: MC-110-1A M COOK

Address: 333 GUADALUPE ST

City: AUSTIN

State: TX ZIP+4® 78701

Type of Mail	Volume
Priority Mail Express**	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



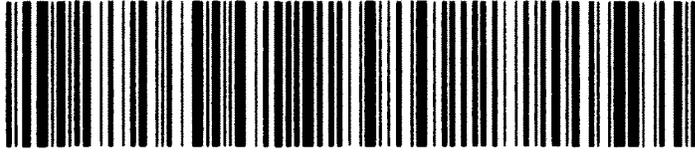
9275 0901 1935 6200 0007 7064 61

2018-5598



Texas Department
of Insurance
MC110-1A
333 Guadalupe
Austin, TX 78701

USPS CERTIFIED MAIL



9214 8901 9403 8300 0005 1246 94

MYRNA CECILIA PADILLA
5361 JORDAN RIDGE DRIVE
DALLAS TX 75236

Return Ref#: RICKETTS/13272



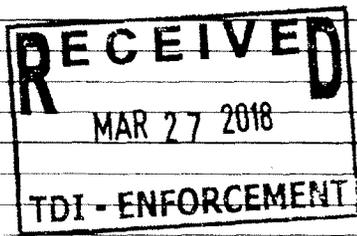
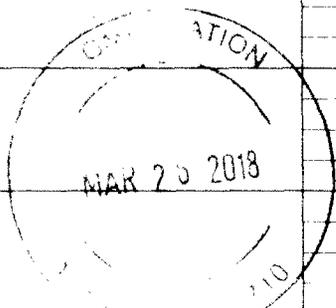
Name and Address of Sender
 MC-110-1A M. Cook
 Texas Department of Insurance
 333 Guadalupe St
 Austin TX 78701

- Check type of mail or service
- Adult Signature Required
 - Adult Signature Restricted Delivery
 - Certified Mail
 - Certified Mail Restricted Delivery
 - Collect on Delivery (COD)
 - Insured Mail
 - Priority Mail
 - Priority Mail Express
 - Registered Mail
 - Return Receipt for Merchandise
 - Signature Confirmation
 - Signature Confirmation Restricted Delivery

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	Addressee (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	
1 9214 8901 9403 8300 0005 1246 94	MYRNA CECILIA PADILLA 5361 JORDAN RIDGE DRIVE DALLAS TX 75236	1.42	3.45	Handling Charge - if Registered and over \$50,000 in value							1.50				
RICKETTS/13272															

2018-5598



Total Number of Pieces listed by Sender: 1
 Total Number of Pieces Received at Post Office: 1

Postmaster, Per (Name of receiving employee)

2018- 5598



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 03/23/2018

Shipped From:

Name: MC-110-1A M COOK

Address: 333 GUADALUPE ST

City: AUSTIN

State: TX ZIP+4® 78701

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0007 7064 61

