

No. 2019- 5855

**Official Order
of the
Texas Commissioner of Insurance**

Date: JAN 25 2019

Subject Considered:

Synermed, Inc.
1600 Corporate Center Drive
Monterey Park, California 91754-7626

Default Order
SOAH Docket No. 454-19-1322.C
TDI Enforcement File No. 16363

General remarks and official action taken:

The subject of this order is whether disciplinary action should be taken against Synermed, Inc.

The following findings of fact and conclusions of law are adopted:

Findings of Fact

Failure to Respond to Notice of Hearing

1. On November 26, 2018, the Texas Department of Insurance filed a Notice of Hearing, attached as Exhibit A, with the State Office of Administrative Hearings.
2. The department's factual allegations set out in the attached Notice of Hearing are incorporated in this order as findings of fact.
3. The department sent the Notice of Hearing to Respondent's last known address provided in writing to the department, 1600 Corporate Center Drive, Monterey Park, California 91754-7626.
4. Respondent failed to file a written response to the Notice of Hearing within 20 days of the date the Notice of Hearing was mailed.

Conclusions of Law

1. The commissioner has jurisdiction pursuant to Texas law, including TEX. INS. CODE §§ 82.051-82.055, 4151.051, 4151.056, 4151.205, 4151.206, 4151.212, 4151.301-4151.309; TEX. GOV'T CODE §§ 2001.051-2001.178; and 28 TEX. ADMIN. CODE §§ 7.1601, 7.1603, and 7.1609.
2. The commissioner has 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. The department provided proper notice of the hearing pursuant to TEX. GOV'T CODE §§ 2001.051, 2001.052, and 2001.054, and 28 TEX. ADMIN. CODE §§ 1.28, 1.88, 1.89, and 19.906.
4. Based on Respondent's failure to file a written response to the Notice of Hearing, the department is entitled to disposition by default pursuant to 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
5. The department's factual and legal allegations set out in the attached Notice of Hearing are incorporated in this order and deemed admitted as true pursuant to 28 TEX. ADMIN. CODE §1.89.

Order

It is ordered that Synermed, Inc.'s third-party administrator certificate of authority is revoked.

Kent C. Sullivan
Commissioner of Insurance

By: _____

Doug Slape
Chief Deputy Commissioner
Commissioner's Order No. 2018-5528

Affidavit**STATE OF TEXAS** §

§

COUNTY OF TRAVIS §

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

"My name is Mary Ruiz 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 Synermed, Inc. I have confirmed that:

- a. The last mailing address provided to the department in writing by Synermed, Inc. is 1600 Corporate Center Drive, Monterey Park, California 91754-7626.
- b. The file maintained by the Enforcement Section of the Legal and Enforcement Division contains a Notice of Hearing dated November 26, 2018, which was filed with the State Office of Administrative Hearings.
- c. On November 26, 2018, a Notice of Hearing addressed to Synermed, Inc. was mailed first-class and certified, return receipt requested, to its last known address: 1600 Corporate Center Drive, Monterey Park, California 91754-7626.

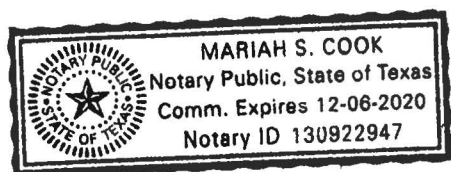
Copies of the first-class mail log and certified mail log maintained by the Enforcement Section are attached as Exhibit B and Exhibit C, respectively."




Affiant

SWORN TO AND SUBSCRIBED before me on January 2, 2019.

(NOTARY SEAL)





Signature of Notary Public

MARIAH S. COOK

Printed Name of Notary Public

SOAH DOCKET NO. 454-19-1322.C
TDI ENFORCEMENT FILE NO. 16363**TEXAS DEPARTMENT OF INSURANCE,****Petitioner****v.****SYNERMED, INC.****Respondent****BEFORE THE STATE OFFICE****OF****ADMINISTRATIVE HEARINGS****Notice of Hearing**

The Texas Department of Insurance is seeking disciplinary action against you. A public hearing will be held before an Administrative Law Judge on Tuesday, February 19, at 9:00 a.m. The hearing will take place at the State Office of Administrative Hearings, located in the William P. Clements Building, 300 W. 15th Street, 4th Floor, Austin, Texas 78701.

The hearing shall be conducted pursuant to TEX. GOV'T CODE, ch. 2001 and 1 TEX. ADMIN. CODE, ch. 155. Unless otherwise directed by the Administrative Law Judge, the hearing shall continue from day to day in the offices of the State Office of Administrative Hearings until concluded.

PARTIES THAT ARE NOT REPRESENTED BY AN ATTORNEY MAY OBTAIN INFORMATION REGARDING CONTESTED CASE HEARINGS ON THE PUBLIC WEBSITE OF THE STATE OFFICE OF ADMINISTRATIVE HEARINGS AT WWW.SOAH.TEXAS.GOV, OR IN PRINTED FORMAT UPON REQUEST TO SOAH.

The commissioner of insurance has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 4151.051, 4151.056, 4151.205, 4151.206, 4151.212, 4151.301-4151.309; TEX. GOV'T CODE §§ 2001.051-2001.178; and 28 TEX. ADMIN. CODE §§ 7.1601, 7.1603, and 7.1609.

YOU MUST FILE A WRITTEN RESPONSE TO THE NOTICE OF HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN 20 DAYS OF THE DATE THE NOTICE OF HEARING WAS MAILED. FAILURE TO FILE A WRITTEN RESPONSE BY THIS DEADLINE SHALL ENTITLE TDI TO SEEK DISPOSITION BY DEFAULT PURSUANT TO 1 TEX. ADMIN. CODE § 155.501 AND 28 TEX. ADMIN. CODE §§ 1.88 AND 1.89.

EXHIBIT**A**

IF YOU FAIL TO FILE A WRITTEN RESPONSE, THE SCHEDULED HEARING CAN BE CANCELED AND WITHOUT FURTHER NOTICE TO YOU THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING DENIAL OF YOUR LICENSE APPLICATION, IS GRANTED BY DEFAULT.

IF YOU FILE A WRITTEN RESPONSE BUT THEN FAIL TO APPEAR ON THE DAY AND TIME SET FOR HEARING, WITHOUT FURTHER NOTICE TO YOU, THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING DENIAL OF YOUR LICENSE APPLICATION, IS GRANTED BY DEFAULT.

Pursuant to 28 TEX. ADMIN. CODE § 1.90(e) and 1 TEX. ADMIN. CODE §§ 155.101 and 155.103, send copies of your written response to:

- (1) Docketing Division
State Office of Administrative Hearings
300 West 15th Street, Room 504
P. O. Box 13025
Austin, Texas 78711-3025
(512) 322-2061 (Fax);
- (2) Chief Clerk
Texas Department of Insurance, MC113-2A
P. O. Box 149104
Austin, Texas 78714-9104
(512) 490-1064 (Fax)
chiefclerk@tdi.texas.gov; and
- (3) Jeannie Ricketts, Staff Attorney
Texas Department of Insurance
Enforcement Section, MC110-1A
P.O. Box 149104
Austin, Texas 78714-9104
(512) 490-1020
jeannie.ricketts@tdi.texas.gov.

Factual Allegations

1. On March 29, 2012, TDI issued Synermed, Inc. third party administrator (TPA) certificate of authority no. 13764519.
2. According to Texas Secretary of State records, Synermed, Inc. forfeited its corporate existence on January 27, 2017, due to tax reasons.
3. Synermed, Inc. failed to file its annual TPA reports with TDI and pay the associated \$200 filing fees by June 30th for the years 2014, 2016, and 2017.
4. On September 14, 2018, TDI sent Synermed, Inc. a notice of intention to institute disciplinary action. Synermed, Inc. did not respond.

Legal Allegations

1. Synermed, Inc. failed to timely file annual TPA reports by June 30th on a form prescribed by the commissioner, in violation of TEX. INS. CODE §§ 4151.205 and 4151.301(14), and 28 TEX. ADMIN. CODE § 7.1609.
2. Synermed, Inc. failed to pay the annual \$200 TPA filing fee in violation of TEX. INS. CODE § 4151.206(a)(3) and 28 TEX. ADMIN. CODE § 7.1609(a).
3. Synermed, Inc. failed to maintain at all times the qualifications for a certificate of authority, as required by TEX. INS. CODE § 4151.212 and 28 TEX. ADMIN. CODE § 7.1607(e).
4. Synermed, Inc. has willfully violated an insurance law of this state, as contemplated by TEX. INS. CODE § 4151.301(1).
5. Synermed, Inc. has willfully violated a commissioner rule, as contemplated by TEX. INS. CODE § 4151.301(10).

Relief Sought

If one or more of the above allegations is found to be true, the commissioner may enter an order revoking your certificate of authority. You have the right to appear at this hearing and be represented by an attorney. Please address any questions and correspondence to the undersigned counsel at the address or telephone number below.

Notice of Hearing
Synermed, Inc.
SOAH Docket No. 454-19-1322.C
Page 4 of 5

Important Security Notice

ALL VISITORS TO THE WILLIAM P. CLEMENTS BUILDING WITHOUT AN AGENCY OR DPS ISSUED ID CARD MUST PROVIDE THE BUILDING SECURITY OFFICER WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS DOCKET NUMBER AND RECEIVE A VISITOR'S PASS IN ORDER TO BE ALLOWED ACCESS TO THE HEARING ROOM. INDIVIDUALS SHOULD ALLOW ADDITIONAL TIME TO GO THROUGH THE SECURITY PROCESS.

If you have any questions, please contact me at the address or telephone number shown below.

Sincerely,



Jeannie Ricketts

Staff Attorney

State Bar No. 24041774

Texas Department of Insurance

Legal and Enforcement Division, Enforcement Section, MC110-1A

P.O. Box 149104

Austin, Texas 78714-9104

(512) 676-6339 (Direct)

(512) 490-1020 (Fax)

jeannie.ricketts@tdi.texas.gov

cc: Elaine Cabrera, Program Specialist, Company Licensing and Registration Office
Christian Hertzberg, Assist. Director, Company Licensing and Registration Office
Beverly Rosendahl, Director, Life, Health Litigation Office

Notice of Hearing
Synermed, Inc.
SOAH Docket No. 454-19-1322.C
Page 5 of 5

Certificate of Service

I, Jeannie Ricketts, certify that a true and correct copy of this *Notice of Hearing* was served by regular, first-class mail and by certified mail, return receipt requested, on this 26th day of November 2018, as follows:

Synermed, Inc.
1600 Corporate Center Drive
Monterey Park, California 91754-7626

Via CM/RRR No.: 9214 8901 9403 8375
5397 01



Jeannie Ricketts

November 26, 2018

Date of Receipt

019-
-6152

	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	R*	RR	SC Fee	SRD Fee	Fees
ricketts/16363		SYNERMED, INC. 1600 CORPORATE CENTER DRIVE MONTEREY PARK, CALIFORNIA 91754-7626	1.47												5855
Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)													

over \$50,000 in value

neopost®
11/26/2018

US POSTAGE \$001.40

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AUSTIN DOWNTOWN NOV 26 2018

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

NOV 28 2018

EXHIBIT

Privacy Note: For more information on USPS privacy policies, visit usps.com/privacy-policy.

EXHIBIT

B

ables.

TDA - ENFORCEMENT



Name and Address of Sender

MC 110-1A M RUIZ
Texas Department of Insurance
333 Guadalupe St
Austin Tx 78701

Check type of mail or service

- | | |
|--|---|
| <input type="checkbox"/> Adult Signature Required | <input type="checkbox"/> Priority Mail Express |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail |
| <input checked="" type="checkbox"/> Certified Mail | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Signature Confirmation |
| <input type="checkbox"/> Collect on Delivery (COD) | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> 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

Addressee (Name, Street, City, State, & ZIP Code™)

Postage

(Extra
Service)
FeeHandling
ChargeActual Value
if RegisteredInsured
ValueDue
Sender if
CODASR
FeeASRD
FeeRD
FeeRR
FeeSC
FeeSCRD
FeeSpecial
Handling Fee

1. 9214 8901 9403 8375 5397 01

SYNERMED INC 1600 CORPORATE CENTER DRIVE MONTEREY PARK CA

0.71

3.45

1.50

91754-7626

RICKETTS/16363

Handling Charge - if Registered and over \$50,000 in value

Adult Signature Required

Adult Signature Restricted Delivery

Restricted Delivery

Return Receipt

Signature Confirmation

Signature Confirmation Restricted Delivery

Special Handling

Total Number of Pieces
Received at Post Office

Postmaster, Recipient Name of receiving employee

EXHIBIT

C

(Page 1 of 1)

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019-5855

2019- 5855



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: 11/26/2018

Shipped From:

Name: MC 110-1A M RUIZ

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.

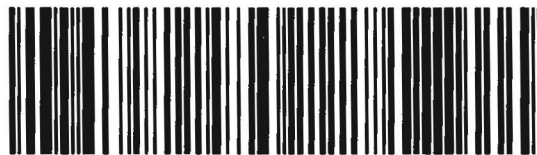
B. USPS Action

Note to RSS Clerk:

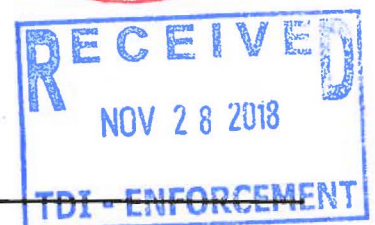
1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

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 0011 4353 57



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