

No. 2024-8721

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

**Date: 7/3/2024**

**Subject Considered:**

Texas Department of Insurance  
v.  
Erika Villafana and Imperial Auto Insurance Agency LLC

SOAH Docket No. 454-24-07277.C

**General Remarks and Official Action Taken:**

The subject of this order is the enforcement action brought against Erika Villafana and Imperial Auto Insurance Agency LLC (Imperial). This order revokes the limited lines agent license and general lines agent license with a property and casualty qualification held by Ms. Villafana and the limited lines agency license with a limited lines qualification and general lines agency license with a property and casualty qualification held by Imperial.

**Background**

After proper notice was given, the above-styled case was heard by an administrative law judge for the State Office of Administrative Hearings. The administrative law judge made and filed a proposal for decision containing a recommendation that the Texas Department of Insurance (TDI) revoke the licenses held by Ms. Villafana and Imperial. A copy of the proposal for decision is attached as Exhibit A.

TDI adopts the administrative law judge's proposed findings of fact and conclusions of law with changes to the findings of fact as described in this order.

**Legal Authority for Changes to Proposal for Decision**

The legal authority for the changes to the proposal for decision made in this order is TEX. GOV'T. CODE § 2001.058(e)(3), which provides that "[a] state agency may change a finding of fact or conclusion of law made by the administrative law judge, or may vacate

COMMISSIONER'S ORDER  
TDI v. Erika Villafana and Imperial Auto Insurance Agency LLC  
SOAH Docket No. 454-24-07277.C  
Page 2 of 3

or modify an order issued by the administrative judge, only if the agency determines . . . that a technical error in a finding of fact should be changed."

Proposed Finding of Fact No. 17 states that TDI referred the matter to the State Office of Administrative Hearings for a hearing on the merits on December 14, 2024. However, this is a technical error—the date is off by one year. The confirmation of TDI's request to docket shows the request was filed on December 14, 2023. As adopted by this order, Finding of Fact No. 17 is changed to correct the date.

**Findings of Fact**

1. Findings of Fact Nos. 1–16, 18, and 19 as contained in Exhibit A are adopted and incorporated by reference into this order.
2. In place of Finding of Fact No. 17 as contained in Exhibit A, the following finding of fact is adopted:

The Department referred this matter for a hearing on the merits to the State Office of Administrative Hearings (SOAH) on December 14, 2023.

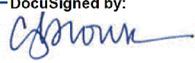
**Conclusions of Law**

The conclusions of law contained in Exhibit A are adopted and incorporated by reference into this order.

**Order**

It is ordered that the limited lines agent license and the general lines agent license with a property and casualty qualification held by Erika Villafana are revoked.

It is further ordered that the limited lines agency license with a limited lines qualification and the general lines agency license with a property and casualty qualification held by Imperial Auto Insurance Agency LLC are revoked.

DocuSigned by:  
  
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Cassie Brown  
Commissioner of Insurance

COMMISSIONER'S ORDER  
TDI v. Erika Villafana and Imperial Auto Insurance Agency LLC  
SOAH Docket No. 454-24-07277.C  
Page 3 of 3

Recommended and reviewed by:

DocuSigned by:  
*Jessica Barta*  
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Jessica Barta, General Counsel

DocuSigned by:  
*Justin Beam*  
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Justin Beam, Chief Clerk

SOAH Docket No. 454-24-07277

Suffix: C

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**Before the  
State Office of Administrative Hearings**

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**TEXAS DEPARTMENT OF INSURANCE,  
Petitioner**

**v.**

**ERIKA VILLAFANA AND IMPERIAL AUTO INSURANCE AGENCY  
LLC,  
Respondents**

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**PROPOSAL FOR DECISION**

The staff (Staff) of the Texas Department of Insurance (Department) seeks to revoke Department issued licenses of Erika Villafana and Imperial Auto Insurance Agency LLC (Imperial) (together Respondents) because Staff alleges that Ms. Villafana violated numerous insurance laws. After considering the evidence and the applicable law, the Administrative Law Judge (ALJ) finds Staff proved some, but not all, violations and recommends the Department revoke Respondents' licenses.

**I. NOTICE, JURISDICTION, AND PROCEDURAL HISTORY**

There are no disputed issues of notice or jurisdiction. Therefore, those matters are addressed in the findings of fact and conclusions of law without further discussion.

The hearing on the merits was held via Zoom videoconference on February 7, 2024, before ALJ Ross Henderson. Staff appeared and was represented by Staff Attorney Erik Huhn. Ms. Villafana appeared and represented herself and Imperial. The hearing concluded that day, and the record closed on March 4, 2024—the deadline for written response briefs.

**II. APPLICABLE LAW**

The Texas Insurance Code authorizes the Department to regulate the business of insurance in this state and to take disciplinary action against agents who violate the law or rules related to insurance.<sup>1</sup> Relevant to Staff’s allegations, the Insurance Code authorizes disciplinary action against agents for the following:

- Misappropriating money belonging to an insurer or insured;<sup>2</sup>
- Engaging in a fraudulent or dishonest act or practice;<sup>3</sup>
- Charging service fees without providing a written fee disclosure form or obtaining written consent;<sup>4</sup>

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<sup>1</sup> Tex. Ins. Code §§ 31.002(1), (3), 4005.102.

<sup>2</sup> Tex. Ins. Code § 4005.101(b)(4).

<sup>3</sup> Tex. Ins. Code § 4005.101(b)(5).

<sup>4</sup> Tex. Ins. Code § 4005.003(c); 28 Tex. Admin. Code § 19.1503.

- Failing to respond to a Department request for information;<sup>5</sup> and
- Willfully violating a Texas insurance law.<sup>6</sup>

Agencies must have at least one officer who is individually licensed.<sup>7</sup> Therefore, if the officer's license is revoked, the agencies' license may also be revoked for failing to maintain its requirements of licensure.<sup>8</sup>

Staff has the burden of proof to establish grounds for revocation of Respondents' licenses.<sup>9</sup> The burden of proof is by a preponderance of the evidence.<sup>10</sup>

### **III. EVIDENCE**

At the hearing, Staff offered six exhibits,<sup>11</sup> which were admitted. Additionally, Staff presented the testimony of Yosbel Banos, a customer of Respondents; Roy De La Cruz, Chief Underwriting Officer for Commonwealth General Insurance (Commonwealth), a company that issued insurance policies to customers of Respondents through Imperial; and, finally, Ms. Villafana. Ms. Villafana provided additional testimony on behalf of Respondents during their direct case. On February 9, 2024, after the hearing and pursuant to the agreed post-hearing

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<sup>5</sup> Tex. Ins. Code § 38.001.

<sup>6</sup> Tex. Ins. Code § 4005.101(b)(1).

<sup>7</sup> Tex. Ins. Code §§ 4001.004, .106(b)(2).

<sup>8</sup> Tex. Ins. Code § 4001.254.

<sup>9</sup> 1 Tex. Admin. Code § 155.427.

<sup>10</sup> See *Granek v. Texas St. Bd. of Med. Exam'rs*, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.).

<sup>11</sup> Staff Exs. 1-4, 7-8.

schedule, Ms. Villafana submitted an exhibit which the ALJ will refer to as Respondents' Ex. 1 (regarding Falconi Policy). Staff did not object to Respondents' Ex. 1 and it is admitted.

**A. BACKGROUND FACTS**

Ms. Villafana holds a limited lines agent license, issued by the Department on May 18, 2012; and a general lines agent license with a property and casualty qualification, issued by the Department on March 12, 2019.<sup>12</sup> Ms. Villafana is the owner, designated responsible licensing person, and only managing member of Imperial.<sup>13</sup> Imperial holds a limited lines agency license with a limited lines qualification, and a general lines agency license with a property and casualty qualification, both issued by the Department on November 22, 2019.<sup>14</sup>

**B. TESTIMONY OF YOSBEL BANOS**

Mr. Banos was a customer of Respondents. Mr. Banos said he called Ms. Villafana in November 2022 to obtain full auto coverage on his car. Ms. Villafana told him she obtained coverage for him through Commonwealth, another insurance company. He made a cash payment to Ms. Villafana on December 28, 2022, for his insurance policy. Ms. Villafana confirmed she had received his payment, by text on December 29, 2022. In January 2023, Mr. Banos had an accident. Commonwealth denied his coverage, telling him he was no longer covered. He believed his next

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<sup>12</sup> Staff Ex. 1.

<sup>13</sup> Staff Ex. 1.

<sup>14</sup> Staff Ex. 1.

payment was not due until January 28, 2023. Mr. Banos contacted Ms. Villafana, who told him she would take care of it but then later would not respond to his communications. He had to pay \$7,500 in expenses because his insurance would not cover him. After investigating the matter, almost a year later, Commonwealth decided to cover Mr. Banos's claim and reimbursed him for some expenses.

**C. TESTIMONY OF ROY DE LA CRUZ**

Mr. De La Cruz is Chief Underwriting Officer for Commonwealth. He testified generally about Commonwealth's relationship with Respondents, about the investigations into Mr. Banos' claim, and about other investigations Commonwealth made into Commonwealth policies sold through Imperial.

Mr. De La Cruz first became aware of Mr. Banos's claim through a Department complaint. At first glance, Mr. Banos' complaint to the Department looked to Mr. De La Cruz to be a case where a policy was simply canceled for non-payment. Commonwealth had given Mr. Banos notice that his payment was due; but, after 10 days, the payment was not received and the policy was canceled on December 29, 2022. Mr. Banos's accident occurred on January 20, 2023, after the policy was canceled; so the claim was denied.

Mr. De La Cruz reviewed text messages showing Mr. Banos' communications with Ms. Villafana in December 2022 and Mr. Banos' bank statements from the same time. These showed that Mr. Banos had in fact made payment to Ms. Villafana for Mr. Banos's policy he obtained from Commonwealth through Imperial.

Therefore, after this investigation, Commonwealth re-opened Mr. Banos's claim and eventually re-paid him his out-of-pocket expenses up to around \$5,800.

Mr. De La Cruz said Ms. Villafana should have contacted Commonwealth when Respondents became aware that Mr. Banos's claim was denied because his policy had been canceled for lack of payment. Commonwealth would have worked with Respondents to remedy any error regarding Mr. Banos's payment; however, Respondents never contacted Commonwealth to explain any error. Commonwealth was not aware that Mr. Banos had timely paid Ms. Villafana for his policy in December 2022 until Mr. Banos contacted Commonwealth and provided evidence.

Because of the Department complaint, and because of the information Commonwealth had learned about Mr. Banos's policy being canceled after he had paid Respondents for it, Commonwealth decided to investigate more policies that it sold through Imperial. Commonwealth pulled 50 policies sold through Imperial and found material misrepresentations in every one of the policies. Most of the policies had an incorrect zip code and some Texas drivers' licenses had been entered as international licenses. The misrepresentations made by Imperial on the applications to Commonwealth all resulted in lower rates and cheaper policies. When Commonwealth learned that Respondents had been making these misrepresentations, they immediately terminated their relationship with Respondents.

**D. TESTIMONY OF MS. VILLAFANA**

Regarding Mr. Banos's canceled insurance policy, Ms. Villafana testified that Mr. Banos didn't have a credit card, so she offered to take a Zelle payment. Because it was her personal Zelle account, she lost track of his payment. Ms. Villafana said she attempted to process the payment as soon as she learned of Mr. Banos's accident. Ms. Villafana admitted that Respondents had charged Mr. Banos agency fees for which Mr. Banos did not sign a fee disclosure form. She said she told Mr. Banos about the fees verbally and that there is a poster in the Imperial offices that explains all the fees.

Regarding another Department complaint about an Imperial customer named Mr. Falconi, Ms. Villafana testified that Mr. Falconi had insurance. His original policy had been canceled, but she secured him a replacement policy with another company. Ms. Villafana admitted that she requested additional time in an October 2023 email to respond to a Department request for information (RFI) regarding the Falconi complaint; but, she denied that she never responded to the RFI. She alleges that she did respond.

**IV. ANALYSIS**

**A. MISAPPROPRIATION OF FUNDS**

Staff alleges Ms. Villafana violated Texas Insurance Code section 4005.101(b)(4)(C) when she accepted Mr. Banos's December 28, 2022 policy payment into her personal bank account using Zelle and failed to remit the payment to Commonwealth. Ms. Villafana responded that she did not intentionally

keep Mr. Banos’s money; that it was an error caused by her inability to take cash payments through Imperial; and that she attempted to correct the error with Imperial when she learned of Mr. Banos’s denied claim.

The ALJ finds Staff failed to prove Ms. Villafana’s actions were a misappropriation of funds. Misappropriation does not appear to be defined in the Insurance Code and Staff did not offer citation to any case where the Department has defined it. Black’s law Dictionary defines it as “The application of another’s property or money dishonestly to one’s own use.”<sup>15</sup> Ms. Villafana admitted she accepted a Zelle payment from Mr. Banos into her personal account and did not remit the payment to Commonwealth until January 20, 2023—after Mr. Banos called to report he had been in an accident. Her claim that the failure to remit was an oversight was not effectively rebutted by Staff. Further, the record only included this one instance, which may or may not have been an isolated incident. Ms. Villafana’s failure to follow-up with Mr. Banos was poor customer service. Her failure to follow-up with Commonwealth after she remitted the payment, in an attempt to correct the error with Commonwealth, resulted in Commonwealth denying Mr. Banos’s claim and Mr. Banos making a complaint with the Department. However, Staff did not prove by a preponderance of the evidence that Ms. Villafana misappropriated funds. Instead, it is more likely that an error was made by Ms. Villafana.

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<sup>15</sup> Black’s Law Dictionary (11th ed. 2019).

**B. FRAUDULENT AND DISHONEST ACTS AND PRACTICES**

Staff alleges Ms. Villafana repeatedly violated Texas Insurance Code section 4005.101(b)(5) by misrepresenting material facts when quoting and selling insurance policies. Mr. De La Cruz offered un rebutted testimony that Commonwealth sampled 50 of its policies sold through Imperial after it received Mr. Banos’s Department complaint, and found misrepresentations that resulted in lower cost policies to Imperial and the consumers.<sup>16</sup> The misrepresentations included incorrect zip codes and incorrect driver’s license information (Texas license called international). Ms. Villafana did not dispute these errors were made, instead she responded that the misrepresentations were not intentional. Ms. Villafana’s explanation that 50 out of 50 policies had unintentional misrepresentations is not credible. Therefore, the ALJ finds that Staff met its burden to prove that Ms. Villafana engaged in dishonest acts or practices. Commonwealth’s investigation into its policies sold through Imperial showed a pattern of misrepresentation that benefitted Respondents (and potentially their customers) at the expense of Commonwealth, whose rates were manipulated by Ms. Villafana.

**C. CHARGING SERVICE FEES WITHOUT DISCLOSURE**

Staff alleges, and the ALJ finds Staff met its burden to prove, that Ms. Villafana violated 28 Texas Administrative Code section 19.1503 and Texas Insurance Code section 4005.003(c) because she charged Mr. Banos service fees to establish his policy without providing a fee disclosure form or obtaining his written consent. Ms. Villafana admitted that she did not provide a fee disclosure form to

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<sup>16</sup> Tr. at 37-47; Staff Ex. 4 (29 policies of the 50 described).

Mr. Banos, nor did she obtain his written consent prior to charging him the fees. Her arguments that she told Mr. Banos about the fees verbally and that there is a poster in the Imperial offices that explains all the fees do not ameliorate her failure to comply with the Department requirements to obtain written consent and to provide a fee disclosure form for the fees. Therefore, the ALJ finds that Staff met its burden to prove this allegation.

**D. FAILURE TO RESPOND TO DEPARTMENT RFI'S**

Staff alleged that Ms. Villafana violated Texas Insurance Code section 38.001 because she failed to respond to Department RFIs relating to two investigations. The first investigation is of the complaint by Mr. Banos to the Department. Ms. Villafana's attorney was sent an RFI on August 17, 2023.<sup>17</sup> However, Ms. Villafana was no longer represented by an attorney on that date and Staff granted an extension to respond on September 15, 2023.<sup>18</sup> The ALJ finds Staff failed to prove this violation with respect to the Banos RFI. Although the evidence shows that Ms. Villafana received the September 15, 2023 extension to respond to the August 17, 2023 Banos RFI, Staff offered no evidence to prove that she failed to respond by that date. Ms. Villafana denied that she failed to respond.<sup>19</sup>

The second allegation involves another Department complaint made by a Mr. Falconi. Staff alleged Ms. Villafana failed to respond to Department RFIs sent

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<sup>17</sup> Staff Ex. 7 at 747-50.

<sup>18</sup> Staff Ex. 7 at 747-51.

<sup>19</sup> Tr. at 57-60.

her on September 14, 2023,<sup>20</sup> and October 3, 2023, which appear to be the same RFI sent on different dates.<sup>21</sup> Ms. Villafana requested an extension to respond on October 18, 2023.<sup>22</sup> A letter sent from the Department to Ms. Villafana on November 3, 2023, indicates the Department had not received a response.<sup>23</sup> Staff's letter dated November 3, 2023, evidences that Ms. Villafana failed to respond to the October 18, 2023 extension for the Falconi RFI within 15 days, which violates Texas Insurance Code section 38.001(c). Therefore, the ALJ finds that Staff met its burden to prove this allegation as to the Falconi RFI.

### **E. WILLFUL VIOLATIONS**

Staff further alleges that each of Respondents' violations of insurance laws were committed "willfully" and, therefore, are separately sanctionable under Texas Insurance Code section 4005.101(b)(1). The Insurance Code does not define "willfully," but the Department has previously determined that the term means "deliberate, voluntary, or intentional."<sup>24</sup> The ALJ finds each of Ms. Villafana's violations were "deliberate, voluntary, or intentional;" therefore, they also violated Texas Insurance Code section 4005.101(b)(1).

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<sup>20</sup> Staff Ex. 8 at 752-54.

<sup>21</sup> Staff Ex. 8 at 755-60.

<sup>22</sup> Staff Ex. 8 at 762-63.

<sup>23</sup> Staff Ex. 8 at 763-64.

<sup>24</sup> See *Tex. Dep't of Ins. v. Everett Wayne Collier*, SOAH Docket No. 454-18-4457.C, Commissioner's Order No. 2019-6028 at 3 (July 31, 2019) (citing *Otis Engineering Corp. v. Pennington*, No. 05-91-00002-CV, 1992 WL 172389 at 9 (Tex. App.—Dallas 1992, no writ) (not designated for publication)).

**F. ALJ’S RECOMMENDATION**

**1. Ms. Villafana**

Because Staff established that Ms. Villafana engaged in conduct for which she can be disciplined, the issue becomes what discipline is appropriate. Under Texas Insurance Code section 4005.102, the Department may, among other things, suspend or revoke a license, assess an administrative penalty, or reprimand a license holder. Staff requests that Ms. Villafana’s licenses be revoked. The ALJ agrees that Ms. Villafana’s dishonest conduct and failure to abide by insurance laws places consumers at risk of financial harm and her licenses should be revoked.

**2. Imperial**

Staff argues if Ms. Villafana’s license is revoked, Imperial’s licenses must also be revoked, for failing to maintain its requirements of licensure.<sup>25</sup> Staff provided un rebutted evidence that Imperial is a limited liability company completely owned by Ms. Villafana; and she is the designated responsible licensing person, only officer, and sole practitioner of Imperial.<sup>26</sup> The ALJ agrees with Staff, Imperial must have at least one officer who is individually licensed by the Department. Without Ms. Villafana as its licensed officer, the Department may revoke Imperial’s licenses because it will no longer be able to maintain the requirements of continued licensure.<sup>27</sup> Accordingly, the ALJ recommends revocation of Imperial’s licenses.

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<sup>25</sup> Tex. Ins. Code §§ 4001.004, .106(b)(2), .254.

<sup>26</sup> Staff Exs. 1 at 002-009, 7 at 732.

<sup>27</sup> Tex. Ins. Code §§ 4001.004, .106(b)(2), .254.

**V. FINDINGS OF FACT**

1. Erika Villafana (Respondent) holds a limited lines agent license, issued by the Texas Department of Insurance (Department) on May 18, 2012; and a general lines agent license with a property and casualty qualification, issued by the Department on March 12, 2019.
2. Ms. Villafana is the owner, designated responsible licensing person, and only managing member of Imperial Auto Insurance Agency LLC (Imperial) (together with Ms. Villafana, Respondents).
3. Imperial holds a limited lines agency license with a limited lines qualification and a general lines agency license with a property and casualty qualification. Both licenses were issued by the Department on November 22, 2019.
4. The Department received a consumer complaint from policyholder Yosbel Banos who stated he was not covered by insurance when he got into a car accident, although he had paid his monthly premium to Respondents.
5. On November 23, 2022, Mr. Banos paid \$340.00 to Respondents for a new auto policy.
6. Respondents charged service fees to Mr. Banos without disclosing the fees in writing or gaining his signed written consent.
7. Ms. Villafana's conduct was deliberate, voluntary, or intentional.
8. Mr. Banos's auto policy was issued by Commonwealth General Insurance Agency (Commonwealth) on November 24, 2022, and was to become effective on November 28, 2022. Imperial was listed as the policy agent.
9. Commonwealth mailed a notice of policy cancellation to Mr. Banos stating that his policy would be canceled for non-payment of premium if a payment of \$159.16 was not made by December 29, 2022. Commonwealth advised Mr. Banos to make a payment through his agent (Imperial) before the deadline to avoid policy cancellation.
10. On December 28, 2022, Mr. Banos made a payment of \$170.00 to Respondents via Zelle.

11. Respondents did not remit Mr. Banos's payment to Commonwealth and, as a result, his policy was canceled. Respondents' failure to remit the payment was more likely an error rather than an intentional misappropriation.
12. On January 20, 2023, Mr. Banos was involved in a car accident and his insurance claim was denied due to no coverage. Mr. Banos paid out-of-pocket for the expenses relating to his accident.
13. After Mr. Banos reported his accident to Ms. Villafana on January 20, 2023, she remitted Mr. Banos's payment to Commonwealth to reinstate his policy; but, Respondents never followed-up with Mr. Banos or with Commonwealth to correct the cancelation of Mr. Banos's policy caused by Respondents failure to remit the payment.
14. After Commonwealth received Mr. Banos's complaint to the Department, it opened an investigation and determined that Mr. Banos had timely paid Respondents for his policy but Respondents failed to remit the payment on time. Therefore, Commonwealth eventually re-opened Mr. Banos's insurance claim and paid out on his claim.
15. As a result of the complaint, Commonwealth conducted an audit of its policies where Imperial was listed as the agent. Commonwealth pulled 50 policies where Imperial was listed as the agent, each of which included factual misrepresentations that resulted in lower cost policies to Imperial and the consumers. The misrepresentations included incorrect zip codes and incorrect driver's license information (Texas license called international) and showed a common pattern of misrepresentation. As a result, Commonwealth severed its relationship with Respondents. Respondents' conduct was deliberate, voluntary, or intentional.
16. On September 12, 2023, the Department received a separate consumer complaint from a policy holder. On September 14, 2023, and October 3, 2023, the Department sent a request for information (RFI) to Respondents regarding the consumer complaint. Respondents failed to respond to the Department's RFI within 15 days. Respondents' conduct was deliberate, voluntary, or intentional.
17. The Department referred this matter for a hearing on the merits to the State Office of Administrative Hearings (SOAH) on December 14, 2024.

18. On December 15, 2023, staff (Staff) of the Department mailed a Notice of Hearing to Respondent. The Notice of Hearing contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and a short, plain statement of the factual matters asserted or an attachment that incorporated by reference the factual matters asserted in the complaint or petition filed with the state agency.
19. The hearing on the merits was held via Zoom videoconference on February 7, 2024, before Administrative Law Judge Ross Henderson. Staff appeared and was represented by Staff Attorney Erik Huhn. Ms. Villafana appeared and represented herself and Imperial. The hearing concluded that day, and the record closed on March 4, 2024—the deadline for written response briefs.

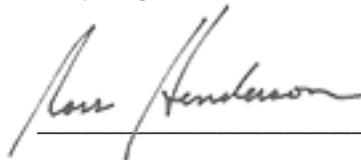
## **VI. CONCLUSIONS OF LAW**

1. The Department has jurisdiction over the subject matter of this proceeding. Tex. Ins. Code §§ 82.051-.055, 4001.002, 4005.101-.102.
2. SOAH has jurisdiction over all matters relating to the conduct of the proceeding, including the preparation of a proposal for decision with findings of fact and conclusions of law. Tex. Gov't Code ch. 2003; Tex. Ins. Code § 4005.104.
3. Adequate and timely notice of the hearing was provided. Tex. Gov't Code §§ 2001.051-.052; Tex. Ins. Code § 4005.104(b).
4. Staff has the burden of proof to establish a violation by a preponderance of the evidence. 1 Tex. Admin. Code § 155.427; *Granek v. Tex. St. Bd. of Med. Exam'rs*, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.).
5. The evidence did not prove that Ms. Villafana misappropriated funds in violation of Texas Insurance Code section 4005.101(b)(4).
6. Ms. Villafana engaged in fraudulent or dishonest acts or practices in violation of Texas Insurance Code section 4005.101(b)(5).

7. Ms. Villafana charged service fees to establish a policy without providing a fee disclosure form or obtaining written consent from the customer in violation of 28 Texas Administrative Code section 19.1503 and Texas Insurance Code section 4005.003(c).
8. Ms. Villafana failed to respond to a Department RFI in violation of Texas Insurance Code section 38.001(c).
9. Ms. Villafana's violations were "deliberate, voluntary, or intentional;" therefore, they also violated Texas Insurance Code section 4005.101(b)(1).
10. Ms. Villafana engaged in conduct for which she can be disciplined. The Department may, among other things, suspend or revoke her license, assess an administrative penalty, or reprimand her. Tex. Ins. Code § 4005.102.
11. Ms. Villafana's licenses should be revoked.
12. The Department should also revoke Imperial's licenses. Tex. Ins. Code §§ 4001.004, .106(b)(2), .254.

**Signed April 4, 2024.**

ALJ Signature:



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Ross Henderson

Presiding Administrative Law Judge