

No. **2024-8578**

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

Date: 3/21/2024

Subjects Considered:

David Frank Roberts
Jacksonville, Texas 75766

Equiguard Agency, Inc.
P.O. Box 701764
Dallas, Texas 75370

Consent Order
SOAH Docket No. 454-24-06190
TDI Enforcement File Nos. 29649 and 32689

General remarks and official action taken:

This is a consent order with David Frank Roberts (Roberts) and Equiguard Agency, Inc. (Equiguard Agency). The department alleges that Roberts, through Equiguard Agency, issued policies that falsely purported to be backed by an insurance company. This order revokes the licenses held by Roberts, and orders Roberts and Equiguard Agency to cease and desist sales of the Equiguard product.

Waiver

Roberts and Equiguard Agency acknowledge that the Texas Insurance Code and other applicable law provide certain rights. Roberts and Equiguard Agency waive all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

1. Roberts, whose national producer number is 1295225, resides in Texas and holds a general lines agent license and a surplus lines agent license issued by TDI.

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2. Equiguard Agency is a business organization formed in Nevada, wholly-owned and controlled by Roberts, with business operations in Texas, and has never held a license or authorization issued by TDI.
3. In November 2007, Roberts obtained services from an insurance broker who helped Roberts locate a Lloyd's insurer to underwrite a product Roberts called "Equiguard." The insurer agreed, and Roberts and Equiguard Agency began selling policies with this coverage statement: "We will indemnify you against direct loss which you may sustain during the policy period caused by your inability to enforce your rights under a second mortgage loan, due to the existence of a superior lien of which you were unaware, solely as a result of you not performing a standard title search prior to recording your lien or encumbrance on property against which you hold a second mortgage interest."
4. In December 2008, Roberts and Equiguard Agency purported to cancel the relationship with the Lloyd's insurer. Roberts signed a letter on behalf of Equiguard Agency releasing the insurer, canceling the underwriting policy back to inception, and representing that "all future liabilities and claims will be the responsibility of the Equiguard Agency, Inc and its new insurance underwriting facility for the Equiguard Policy."
5. Roberts and Equiguard Agency did not obtain a new underwriting facility for the Equiguard product.
6. Roberts and Equiguard Agency continued selling the Equiguard product. Roberts misled lenders and insurance agents, causing them to believe that the Equiguard product continued to be underwritten by the Lloyd's insurer.
7. The form of insurance represented in this Equiguard product is not approved for use in Texas. During the years 2020 and 2021, an insurance agent whom Roberts had enlisted sold approximately 150 Equiguard policies for loans secured by Texas real estate, and Roberts received money from the agent for these policies.
8. Roberts agrees he will not apply to TDI for any license after entry of this order; will not accept employment with a person or entity engaged in the business of insurance in Texas; will not acquire any ownership interest in an entity engaged in

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the business of insurance in Texas; and will not otherwise engage in the business of insurance in Texas.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 101.103, and 541.107–541.108.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Roberts and Equiguard Agency have knowingly and voluntarily waived all procedural rights to which they may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Roberts has directly or indirectly engaged in the unauthorized business of insurance, in violation of TEX. INS. CODE §§ 101.102 and 101.051(b)(1), (4), (5), (6).
5. Roberts has engaged in an unfair method of competition or a false, misleading, or deceptive act or practice, in violation of TEX. INS. CODE §§ 541.003 and 541.061, and TEX. BUS. & COMM. CODE §§ 17.46(a) and (b)(1), (5), (12), and (24).
6. Roberts has wilfully violated an insurance law of this state, as contemplated by TEX. INS. CODE §§ 4005.101(b)(1), 101.102, and 541.003.
7. Roberts has engaged in fraudulent or dishonest acts or practices, as contemplated by TEX. INS. CODE §§ 4005.101(b)(5).
8. Equiguard Agency has directly or indirectly engaged in the unauthorized business of insurance, in violation of TEX. INS. CODE §§ 101.102 and 101.051(b)(1), (4), (5), (6).
9. Equiguard Agency has engaged in an unfair method of competition or a false, misleading, or deceptive act or practice, in violation of TEX. INS. CODE §§ 541.003 and 541.061, and TEX. BUS. & COMM. CODE §§ 17.46(a) and (b)(1), (5), (12), and (24).

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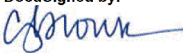
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Order

It is ordered that any licenses held by David Frank Roberts are revoked. A copy of this order will be provided to law enforcement or other appropriate administrative agencies for further investigation as may be warranted.

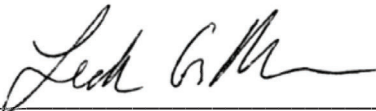
It is ordered that David Frank Roberts immediately cease and desist all efforts to sell or otherwise distribute the Equiguard product individually or through any business organization. This order does not affect the liability of David Frank Roberts under TEX. INS. CODE § 101.201 et seq.

It is ordered that Equiguard Agency, Inc. immediately cease and desist all efforts to sell or otherwise distribute the Equiguard product. This order does not affect the liability of Equiguard Agency Inc. under TEX. INS. CODE § 101.201 et seq.


DocuSigned by:

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Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Casey Seeboth, Staff Attorney
Enforcement

Affidavit

STATE OF Texas §
§
COUNTY OF Cherokee §

Before me, the undersigned authority, personally appeared David Frank Roberts, who being by me duly sworn, deposed as follows:

"My name is David Frank Roberts. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

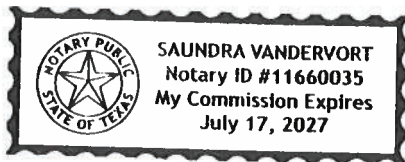
I hold the office of President, am the authorized representative of Equiguard Agency, Inc., and am duly authorized by said organization to execute this statement.

Both I and Equiguard Agency, Inc. have knowingly and voluntarily entered into the foregoing consent order and agree with and consent to the issuance and service of the same by the commissioner of insurance of the state of Texas."

[Signature]
David Frank Roberts, individually and as authorized representative of Equiguard Agency, Inc.

SWORN TO AND SUBSCRIBED before me on March 12, 2024.

(NOTARY SEAL)



[Signature]
Signature of Notary Public

Saundra Vandervort
Printed Name of Notary Public