

No. 2020- 6295

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

Date: MAR 2 5 2020

Subjects Considered:

Protector Insurance, LLC
[REDACTED]
Brownsville, Texas 78521

Marissa Barrientos
[REDACTED]
[REDACTED]

Denice Lizeth Rodriguez
[REDACTED]
Brownsville, Texas 78522

Knight Insurance Agency Solutions, LLC
[REDACTED]
Brownsville, Texas 78521

Claudia Lizeth Pecero
[REDACTED]
Brownsville, Texas 78520

Consent Order
SOAH Docket No. 454-19-4620.C
TDI Enforcement File Nos. 18944, 18947, 18948, 18949 & 19107

General remarks and official action taken:

This is a consent order with Protector Insurance, LLC (Protector), Marissa Barrientos (Barrientos), Denice Lizeth Rodriguez (Rodriguez), Knight Insurance Agency Solutions, LLC

(Knight), and Claudia Lizeth Pecero (Pecero), (collectively Respondents). The department alleges that after the commissioner of insurance revoked the licenses of Barrientos, Rodriguez, and Protector, that Barrientos and Rodriguez rebranded Protector as Knight and continued to engage in the business of insurance. The department alleges that Pecero, the current owner of Knight, failed to obtain the required agency license after purchasing the agency in January 2019.

Waiver

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

Pursuant to TEX. INS. CODE § 82.055(b), Respondents do not admit to a violation of any provision of the Texas Insurance Code or a rule of the department. Respondents further maintain that the existence of a violation is in dispute. However, for the purposes of settlement, Respondents have agreed to this order.

Findings of Fact

Licensing History

1. Rodriguez, individual identification number 830671, held a limited lines agent license originally issued by the department on September 7, 2010.
2. Barrientos, individual identification number 832938, held a limited lines agent license originally issued by the department on January 11, 2011.
3. Protector, firm identification number 77327, held a limited lines agency license originally issued by the department on June 5, 2013.
4. On December 14, 2018, the commissioner issued Order No. 2018-5778 revoking the licenses of Protector, Barrientos, and Rodriguez. The order became final on February 5, 2019.
5. Protector, Barrientos, and Rodriguez exercised their right to an appeal of the commissioner's Order revoking their license but later moved to dismiss the appeal. The Court granted the request and dismissed the case with prejudice on August 21, 2019.

6. Pecero, individual identification number 1514237, holds a limited lines agent license, issued by the department on August 3, 2016. Pecero also holds a general lines agent license with a property and casualty qualification issued by the department on January 15, 2018.
7. Pecero has operated an unlicensed agency, Knight, since January 2019.

Protector, Barrientos, and Rodriguez

Failure to Come Into Compliance

8. Barrientos and Rodriguez rebranded Protector as Knight and continued to engage in the business of insurance from approximately February 5, 2019, until on or about May 8, 2019, despite the February 2019 order revoking their insurance licenses.
9. On February 21, 2019, department investigators located a website and social media pages purportedly belonging to Knight but containing the same addresses and contact information as Protector. The website referred to Barrientos and Rodriguez as the "founders" of Knight and contained photos of Barrientos and Rodriguez. The content of the website was substantially and substantively the same as the content contained on the Protector website, but with the name Protector replaced with the name Knight.
10. On February 21, 2019, department investigators also found the website belonging to Protector was still fully functional and advertising the sale of insurance, despite the revocation of Protector's license.
11. Barrientos and Rodriguez continued to advertise and operate Protector through its website after the revocation of their licenses and according to Knight's website, they founded a "new" agency. This "new" agency contained the exact same logo used by Protector. Barrientos and Rodriguez simply renamed Protector as Knight.
12. On February 26, 2019, the department notified Protector, Barrientos, and Rodriguez, through their attorney, that the department was aware that Protector, Barrientos, and Rodriguez were continuing to engage in the business of insurance despite the commissioner's order revoking their licenses.

13. On February 27, 2019, Respondents' attorney stated that they were apologetic for "any misunderstanding which may have been created by their efforts to transition out of the business of insurance."

Sale of Protector

14. On March 1, 2019, Respondents' counsel informed the department that the assets of Protector had been sold on January 12, 2019.
15. Respondents' counsel provided the department with a copy of a letter from Pecero to Barrientos and Rodriguez, detailing the proposed purchase of certain assets of Protector and an Asset Purchase Agreement detailing the final sale of Protector for \$1,000,000, effective January 12, 2019.
16. Approximately March 2019, the photos of Barrientos and Rodriguez were removed from Knight's website.
17. On July 12, 2019, Pecero made the first installment payment to Barrientos and Rodriguez for the purchase of Protector. Pecero paid \$8,325.00 to Barrientos and Rodriguez, individually. On or about August 13, 2019, Pecero made an additional installment payment of \$16,650 to Barrientos and Rodriguez, collectively. On or about September 12, 2019, and October 12, 2019, Pecero made additional installment payments of \$16,650 to Barrientos and Rodriguez, collectively.

Knight and Pecero

Unauthorized Insurance Activity

18. On March 12, 2019, department investigators visited four Knight office locations. Each location had signage with the name "Knight Insurance" displayed.
19. Department investigators contacted a Knight office location in Harlingen, Texas. An employee answered the phone "Knight Insurance" and requested a VIN number to provide an insurance quote.
20. Department investigators visited a Knight office location in San Benito, Texas. An employee provided an insurance quote and stated the agency was formerly called "Protector Insurance" but recently went through a change in ownership.

21. Department investigators visited the main office location of Knight in Brownsville, Texas. Knight staff informed investigators that Barrientos and Rodriguez no longer worked there and that agency employees had been informed of the change in ownership in early March.
22. Department investigators spoke with the new owner, Pecero, and informed her that Knight was not licensed. Pecero admitted, and confirmed the department's investigation, that Knight was operating and engaging in the business of insurance without a license. Pecero stated that her attorney was assisting her in acquiring the appropriate license.
23. Pecero continued to operate Knight Insurance without holding a license issued by the department. As such, she aided Protector, Barrientos, Rodriguez, and Knight in engaging in the business of insurance without a license.

Assumed Name and Agency License Applications

24. On March 8, 2019, Pecero submitted an LDTL Registration Form to the department to register the assumed name of Knight Insurance Agency Solutions.
25. On March 15, 2019, Pecero submitted an LDTL Registration Form to the department to register the assumed name of Knight Insurance Solutions.
26. On April 25, 2019, Pecero submitted an application to the department for a general lines agency license with a property and casualty qualification for Knight Insurance Agency Solutions, LLC.
27. On June 4, 2019, the department proposed to deny the agency license application for Knight Insurance Agency Solutions, LLC. Knight appealed that decision and made a written request for a hearing.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 84.021-84.044, 101.051, 101.053-101.156, 4001.002, 4001.051-4001.101, 001.105-4001.106, 4005.051-4005.052, 4005.101-4005.102, and 4051.051.

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. Respondents 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, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Respondents have willfully violated an insurance law of this state, as contemplated by TEX. INS. CODE § 4005.101(b)(1).
5. Respondents have engaged in acts constituting the business of insurance without a license, as defined in TEX. INS. CODE §§ 101.051 and 4001.051, in violation of TEX. INS. CODE §§ 101.102, 4001.101, and 4051.051.
6. Protector, Barrientos, and Rodriguez have violated the commissioner's order revoking their licenses by continuing to engage in the business of insurance without a license, in violation of Order No. 2018-5778 and TEX. INS. CODE § 82.051.
7. Pecero engaged in fraudulent or dishonest acts or practices, in violation of TEX. INS. CODE § 4005.101(b)(5).

Order

It is ordered that Protector, Barrientos, and Rodriguez must cease and desist immediately and in perpetuity from:

- a. performing or engaging in acts that constitute the business of insurance in Texas;
- b. making, publishing, disseminating, circulating or placing before the public, or causing; directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or by electronic means, on the internet, in an email or via social media, or in any other way, an advertisement, announcement or statement containing any assertion, representation or

statement with respect to engaging in acts that constitute the business of insurance in Texas;

- c. engaging in the managing, running, or operating of Knight; and
- d. being employed in any capacity by Knight and/or Pecero.

It is further ordered that Barrientos must pay an administrative penalty of \$4,500 and Rodriguez must pay an administrative penalty of \$4,500 within 30 days of the date of this order. The penalty must be paid by cashier's check or money order made payable to the "State of Texas" and sent to the Texas Department of Insurance, Attn: Enforcement Division, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

It is ordered that Pecero and Knight must cease and desist immediately and in perpetuity from employing, assisting, or consulting with Barrientos and Rodriguez in any capacity related to the business of insurance.

It is ordered that Pecero and Knight, jointly, must pay an administrative penalty of \$5,000 within 30 days from the date of this order. The administrative penalty must be paid by cashier's check or money order made payable to the "State of Texas" and sent to the Texas Department of Insurance, Attn: Enforcement Division, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

It is ordered that a general lines agency license with a property and casualty qualification is granted to Knight Insurance Agency Solutions, LLC. It is further ordered that the general lines agency license is suspended for four years, probated.

If, during the probation period imposed by this order, the department issues any additional licenses or authorizations to Knight, those additional licenses or authorizations will be suspended until the probation period imposed by this order has ended. The suspension will be probated, and the same terms and conditions stated in this order will apply.

Beginning from the date of this order and continuing through the probation period, Knight must comply with the following terms and conditions:

- a. It must provide written notice of this order to any appointing company, agency, or sponsor. Knight must provide the department with a copy of the notification within 30 days of the appointment or sponsorship to the Texas Department of


Insurance, Enforcement Division, Mail Code 110-1A, P.O. Box 149104, Austin, Texas 78714-9104.

- b. It must file a written report, on or before the 15th day of each month on a quarterly basis with the Texas Department of Insurance, Enforcement Division, Mail Code 110-1A, P.O. Box 149104, Austin, Texas 78714-9104. The reports must include the following information:
 - i. Knight's current mailing address(es) and telephone number(s);
 - ii. the name and mailing address of any insurer which has appointed Knight as a licensed agency;
 - iii. the name and address of any insurer which has canceled Knight's appointment as a licensed agency; and
 - iv. a copy of any and all contracts Knight has entered into with an insurer, broker, managing general agent, managing general agency, or any person or entity in the business of insurance.

- c. Knight must notify the department immediately of the following:
 - i. any state or regulatory actions taken against it including formal and informal actions;
 - ii. any change of its business address(es); and
 - iii. any complaint made against it concerning its actions as a licensed agency, as well as a written explanation detailing the steps taken to resolve it.

Kent C. Sullivan
Commissioner of Insurance

By: _____


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

Commissioner's Order
Protector Insurance, LLC, et al.
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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Enforcement Division



Stephanie Andrews, Staff Attorney
Enforcement Division

Approved as to form and content:



Hector De Leon
Counsel for Respondents

Affidavit

STATE OF TEXAS

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COUNTY OF Cameron

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Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed of the following:

"My name is Marissa Barrientos, owner of Protector Insurance, LLC. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

Protector Insurance, LLC waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

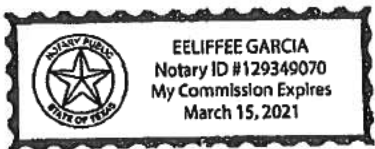
Protector, LLC has knowingly and voluntarily entered into this consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the State of Texas."



Affiant

SWORN TO AND SUBSCRIBED before me on this 2nd day of March, 2020.

(NOTARY STAMP)



Eeliffee Garcia
Signature of Notary of Public

Affidavit

STATE OF TEXAS

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COUNTY OF Cameron

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Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed of the following:

"My name is Denice Lizeth Rodriguez, owner of Protector Insurance, LLC. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

Protector Insurance, LLC waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

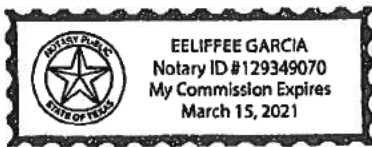
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Celiffee Garcia
Signature of Notary of Public

Affidavit

STATE OF TEXAS

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COUNTY OF Cameron

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Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed of the following:

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

I waive rights provided by the Texas Insurance Code and other applicable law and acknowledge the jurisdiction of the commissioner.

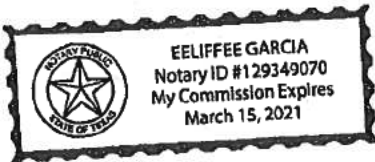
I have knowingly and voluntarily entered into this consent order and agree with and consent to the issuance and service of the same by the commissioner of insurance of the State of Texas."

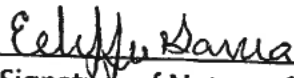


Affiant

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Signature of Notary of Public

Affidavit

STATE OF TEXAS

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COUNTY OF Cameron

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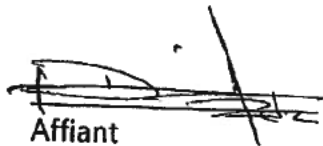
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Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed of the following:

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

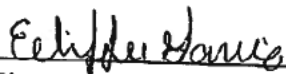
I waive rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

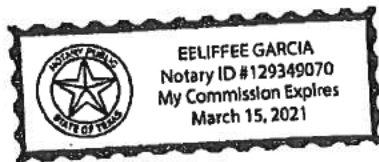
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Affiant

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(NOTARY STAMP)


Signature of Notary of Public



Affidavit

STATE OF TEXAS

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COUNTY OF Lamerca

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Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed of the following:

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

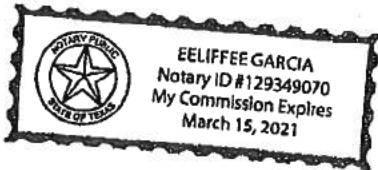
I waive rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

I have knowingly and voluntarily entered into this consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the State of Texas."

Claudia Pecero
Affiant

SWORN TO AND SUBSCRIBED before me on this 2nd day of March, 2020.

(NOTARY STAMP)



Eeliffee Garcia
Signature of Notary of Public

Affidavit

STATE OF TEXAS

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COUNTY OF Cameron

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Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed of the following:

"My name is Claudia Lizeth Pecero, owner of Knight Insurance Agency Solutions, LLC. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

Knight Insurance Agency Solutions, LLC waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

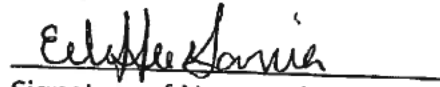
Knight Insurance Agency Solutions, LLC has knowingly and voluntarily entered into this consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the State of Texas."


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