

No. 2024-8791

**Official Order  
of the  
Texas Commissioner of Workers' Compensation**

**Date: 8/21/2024**

**Subject Considered:**

Chadwick D. Lee  
1000 Heritage Center Circle  
Round Rock, Texas 78664-4463

Consent Order  
DWC Enforcement File No. 31886

**General remarks and official action taken:**

This is a consent order with Chadwick D. Lee (Respondent). The commissioner of the Texas Department of Insurance, Division of Workers' Compensation (DWC) considers whether DWC should take disciplinary action against Respondent.

**Waiver**

Respondent acknowledges that the Texas Labor Code and other applicable laws provide certain rights. Respondent waives all of these rights, and any other procedural rights that apply, in consideration of the entry of this consent order.

**Findings of Fact**

1. Respondent is an attorney operating in the Texas workers' compensation system. Respondent was admitted to practice law on November 5, 1993, under Texas State Bar number 00787886.
2. Respondent was not selected to be tiered in any Performance Based Oversight (PBO) assessments.

Failure to Timely Comply with a Contested Case Hearing Decision and Order (CCH D&O)

3. In [REDACTED], Respondent represented an injured employee who was awarded Supplemental Income Benefits (SIBs) after the insurance carrier contested DWC's determination that the injured employee was entitled to SIBs.
4. On [REDACTED], DWC issued an Attorney Fee Order awarding \$ [REDACTED] in attorney fees to Respondent. Because the injured employee was successful in the dispute, the fees were to be paid directly from the insurance carrier rather than the claimant's recovery.
5. On [REDACTED], the insurance carrier issued four checks in the amounts of \$ [REDACTED], \$ [REDACTED], \$ [REDACTED], \$ [REDACTED]. The total amount paid to Respondent was \$ [REDACTED].
6. The insurance carrier disputed the Attorneys' Fee Order. The dispute proceeded to a contested case hearing.
7. On [REDACTED], DWC issued a CCH D&O awarding Respondent \$ [REDACTED] in attorney's fees and ordering Respondent to reimburse the insurance carrier for any fees collected in excess of the \$ [REDACTED] awarded to him, in accordance with the decision. Respondent was required to reimburse the insurance carrier \$ [REDACTED].
8. Respondent received the CCH D&O on [REDACTED].
9. The CCH D&O became final on [REDACTED]. Respondent was required to comply with the CCH D&O with in 20 days of the CCH D&O becoming final. The deadline to comply was [REDACTED].
10. On [REDACTED], Respondent partially reimbursed the insurance carrier \$ [REDACTED].
11. On [REDACTED], Respondent complied with the CCH D&O 1,857 days late when he reimbursed an additional \$ [REDACTED] to the insurance carrier.

### **Assessment of Sanction**

1. Compliance with DWC orders is imperative to minimize disputes and resolve them promptly and fairly. In addition, failure to provide income benefits in a timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system.
  
2. In assessing the sanction for this case, DWC fully considered the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e):
  - the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the prohibited act;
  - the history and extent of previous administrative violations;
  - the violator's demonstration of good faith, including actions it took to rectify the consequences of the prohibited act;
  - the penalty necessary to deter future violations;
  - whether the administrative violation had a negative impact on the delivery of benefits to an injured employee;
  - the history of compliance with electronic data interchange requirements;
  - to the extent reasonable, the economic benefit resulting from the prohibited act; and
  - other matters that justice may require, including, but not limited to:
    - PBO assessments;
    - prompt and earnest actions to prevent future violations;
    - self-report of the violation;
    - the size of the company or practice;
    - the effect of a sanction on the availability of health care; and
    - evidence of heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
  
3. DWC found the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e) to be aggravating: the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the prohibited act; the history and extent of previous administrative violations, which includes a recent consent order involving withholding improperly-obtained attorney fees; the penalty necessary to deter future violations; the economic benefit of the violation to Respondent; and other matters that justice may require, including evidence of heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.

4. DWC found the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e) to be mitigating: other matters that justice may require, including the size of the company or practice.
5. Respondent acknowledges communicating with DWC about the relevant statute and rule violations alleged; that the facts establish that the administrative violation(s) occurred; and that the proposed sanction is appropriate, including the factors DWC considered under Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).
6. Respondent acknowledges that, in assessing the sanction, DWC considered the factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).

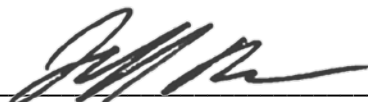
#### **Conclusions of Law**

1. The commissioner has jurisdiction over this matter pursuant to Tex. Lab. Code §§ 402.001, 402.00114, 402.00116, 402.00128, 414.002, and 414.003.
2. The commissioner has the authority to dispose of this case informally pursuant to Tex. Gov't Code § 2001.056, Tex. Lab. Code §§ 401.021 and 402.00128(b)(6)-(7), and 28 Tex. Admin. Code § 180.26(h) and (i).
3. Respondent has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intent to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, a rehearing by the commissioner, and judicial review.
4. Pursuant to Tex. Lab. Code § 410.169 and 28 Tex. Admin. Code § 142.16, a party is required to comply with a CCH D&O within 20 days of the order becoming final.
5. Pursuant to Tex. Lab. Code § 415.001(10), a representative of an employee commits an administrative violation each time the person violates a DWC rule.
6. Pursuant to Tex. Lab. Code § 415.001(11), a representative of an employee commits an administrative violation each time the person fails to comply with this subtitle.

7. Pursuant to Tex. Lab. Code § 415.021(a), a person commits an administrative violation if he violates, fails to comply with, or refuses to comply with a DWC order.
8. Pursuant to Tex. Lab. Code § 415.021, the commissioner may assess an administrative penalty against a person who commits an administrative violation.
9. Respondent violated Tex. Lab. Code §§ 410.169; 415.001(10) and (11); 415.021(a); and 28 Tex. Admin. Code § 142.16 by failing to timely comply with a DWC order.

**Order**

1. It is ordered that Chadwick D. Lee, J.D., must pay an administrative penalty of \$10,000 by electronic transfer using the State Invoice Payment Service, company check, cashier's check, or money order and make it payable to the "State of Texas." Respondent must mail the administrative penalty to the Texas Department of Insurance, Attn: DWC Enforcement Section, MC AO-9999, PO Box 12030, Austin, Texas 78711-2030. The administrative penalty must be paid pursuant to the following schedule:
  - a. Respondent shall pay at least \$5,000 within **30 days** from the date of this order.
  - b. Respondent must pay the entire \$10,000 administrative penalty the earlier of **180 days** from date of this order or by **February 28, 2025**.
  
2. It is also ordered that Respondent attend and successfully complete **at least six hours** of continuing legal or worker's compensation education in the topic of **ETHICS** within **180 days** from the date of this Order. Respondent must request approval for each course from DWC prior to enrollment. To obtain approval for a course, Respondent must submit in writing to Enforcement information on the course, including a reasonably detailed description of the course content, including the course location and dates of instruction. Confirmation of the attendance and completion of any continuing education course must be provided to DWC within 14 days of completion. You may email confirmation of your successful completion of the course(s) to [DWC Enforcement@tdi.texas.gov](mailto:DWC_Enforcement@tdi.texas.gov).

  
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Jeff Nelson  
Commissioner  
TDI, Division of Workers' Compensation

Approved Form and Content:



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Daniel Garcia  
Staff Attorney, Enforcement  
Compliance and Investigations  
TDI, Division of Workers' Compensation

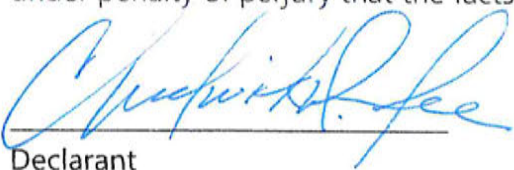
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Unsworn Declaration

STATE OF TEXAS §  
  §  
COUNTY OF WILLIAMSON §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is CHADWICK D. LEE. I hold the position of PRESIDENT and am the authorized representative of Chadwick D. Lee. My business address is:  
1000 HERITAGE CENTER CIR, ROUND ROCK, WILLIAMSON, TX, 78664  
(Street)    (City)    (County) (State) (ZIP Code)

I am executing this declaration as part of my assigned duties and responsibilities. I declare under penalty of perjury that the facts stated in this document are true and correct.

  
Declarant

Executed on 8/19, 2024.