

No. **3931**

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

Date: APR 23 2015

Subject Considered:

JUAN ZAVALA III
7550 W IH 10, Suite 325
San Antonio, Texas 78229

DEFAULT ORDER
SOAH DOCKET NO. 454-15-2597.C
ENFORCEMENT FILE NO. 8067

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Juan Zavala III.

Findings of Fact

1. Juan Zavala III, individual identification no. 1282670, holds a general lines life, accident, and health license issued by TDI on May 13, 2014.
2. TDI records show the last mailing address Juan Zavala III provided in writing is 7550 W IH 10, Suite 325, San Antonio, Texas 78229.
3. On February 27, 2015, TDI sent a notice of hearing to Juan Zavala III's last known mailing address.
4. Juan Zavala III failed to file a written response to the notice of hearing within 20 days of the date the notice of hearing was mailed.
5. On June 10, 2014, Juan Zavala III used personal financial information which he obtained from policyholder Leticia Arredondo's insurance policy application to establish a personal line of credit and to obtain access to Ms. Arredondo's bank account. Mr. Zavala then made prohibited credit card purchases and removed approximately \$11,000 through unauthorized withdrawals from her bank account.
6. In total, Juan Zavala III purchased approximately \$17,000 in goods and services using Leticia Arredondo's personal financial identity, without either her knowledge or consent.

7. Subsequently, in June of 2014, Leticia Arredondo and her husband met with Juan Zavala III at the office of Leticia Arredondo's husband. At the meeting, Mr. Zavala confessed to his fraudulent acts, stating he needed the money because he and his girlfriend were planning to move.
8. On September 4, 2014, Bankers Life and Casualty Company terminated its company contract with agent Juan Zavala III because of his use of personal information gained from a policyholder's insurance application to apply for loans and to purchase goods and services.
9. As of February 27, 2015, Juan Zavala III has failed to refund any of the approximately \$17,000 in misappropriated funds.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051 – 82.055, 84.021 – 84.022, 4001.002, 4005.101, 4005.102, and 4054.051; and TEX. GOV'T CODE §§ 2001.051–2001.178.
2. TEX. GOV'T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89 give the commissioner authority to informally dispose of this case.
3. Based on 28 TEX. ADMIN. CODE § 19.906, Juan Zavala III's last known address is presumed to be 7550 W IH 10, Suite 325, San Antonio, Texas 78229.
4. TDI mailed a notice of hearing to the last known mailing address of Juan Zavala III, as required by 28 TEX. ADMIN. CODE §§ 1.28(c) and 1.88(c); 1 TEX. ADMIN. CODE § 155.401; and TEX. GOV'T CODE Chapter 2001.
5. TDI's allegations in the notice of hearing, as set out in finding of fact nos. 5–9, are deemed admitted as true pursuant to 28 TEX. ADMIN. CODE § 1.89.
6. Juan Zavala III misappropriated, converted to his own use, and illegally withheld money belonging to an insurer, as contemplated in TEX. INS. CODE § 4005.101(b)(4)(A).
7. Juan Zavala III engaged in fraudulent and dishonest acts or practices, as contemplated in TEX. INS. CODE § 4005.101(b)(5).

The commissioner revokes Juan Zavala III's general lines life, accident, and health license and orders Juan Zavala III to pay an \$8,500 administrative penalty 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

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the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.



David C. Mattox
Commissioner of Insurance

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Affidavit

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

“My name is Judy Lopez 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 Juan Zavala III and I have confirmed that:

- (1) The last mailing address provided to the department by Juan Zavala III in writing was 7550 W IH 10, Suite 325, San Antonio, Texas 78229
- (2) The file maintained by the Enforcement Section of the Compliance Division contains a notice of hearing dated February 27, 2015, filed with the State Office of Administrative Hearings.
- (3) A certified letter, return receipt requested, and a first class mailing, both containing a notice of hearing addressed to Juan Zavala III’s last known address, were deposited in the United States mails.

Copies of the certified and first class mail logs are attached as exhibits A and B.”

Judy Lopez
Affiant

SWORN TO AND SUBSCRIBED before me on April 14, 2015.



Notary without Bond

Ginger G. Yocom
Notary Public, State of Texas

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