

No. **2023-8203**

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

Date: 9/14/2023

Subject Considered:

Douglas Millsaps
2222 West 18th Street 39 Houston,
TX 77008

Default Order
SOAH Docket No. 454-23-24985
TDI Enforcement File No. 31937

General remarks and official action taken:

The subject of this default order is whether a general lines life accident and health agent license should be issued to Douglas Millsaps (Respondent). Respondent did not respond to a Notice of Hearing filed by the Texas Department of Insurance (TDI). This order denies Respondent's license application.

The following findings of fact and conclusions of law are adopted:

Findings of Fact

Failure to Respond to Notice of Hearing

1. On August 8, 2023, TDI filed a Notice of Hearing, attached as Exhibit A, and an Original Petition, attached as Exhibit B, with the State Office of Administrative Hearings.
2. TDI's factual allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order as findings of fact.

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3. TDI sent the Notice of Hearing and Original Petition to Respondent's last known address provided in writing to the department, 2222 West 18th Street 39, Houston, TX 77008.
4. Respondent failed to file a written response to the Notice of Hearing within 20 days of the date the Notice of Hearing and Original Petition were mailed.

Conclusions of Law

1. The commissioner has jurisdiction under Texas law, including TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4001.102, 4001.105, 4005.101-4005.105, 4101.051; TEX. OCC. CODE §§ 53.021-53.023; 28 TEX. ADMIN. CODE § 1.502; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to dispose of this case informally under TEX. GOV'T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89.
3. The department provided proper notice of the hearing under TEX. GOV'T CODE §§ 2001.051, 2001.052, and 2001.054, and 28 TEX. ADMIN. CODE §§ 1.28, 1.88, 1.89, and 19.906.
4. Based on Respondent's failure to file a written response to the Notice of Hearing, the department is entitled to disposition by default under 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
5. The department's factual and legal allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order and deemed admitted as true under 28 TEX. ADMIN. CODE § 1.89.

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Commissioner's Order

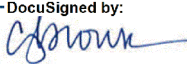
Douglas Millsaps

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Order

It is ordered that Douglas Millsaps' application is denied. A copy of this order will be provided to law enforcement or other appropriate administrative agencies for further investigation as may be warranted.

DocuSigned by:

FC5D7EDDFFBB4F8...

Cassie Brown
Commissioner of Insurance

Prepared and reviewed by:



Erik Huhn, Staff Attorney
Enforcement

Affidavit

STATE OF TEXAS §

§

COUNTY OF TRAVIS §

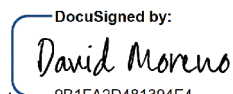
Before me, the undersigned authority, personally appeared David Moreno, who, being by me duly sworn, deposed as follows:

"My name is David Moreno 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 Douglas Millsaps. I have confirmed that:

- a. The last mailing address provided to the department in writing by Douglas Millsaps is 2222 West 18th Street 39, Houston, TX 77008.
- b. The file maintained by Enforcement contains a Notice of Hearing and Original Petition dated August 8, 2023, which were filed with the State Office of Administrative Hearings.
- c. On August 8, 2023, the Notice of Hearing and Original Petition addressed to Douglas Millsaps were mailed first-class and certified, return receipt requested, to his last known address.

Copies of the first-class mail log and certified mail log maintained by Enforcement are attached as Exhibit C and Exhibit D, respectively."

DocuSigned by:

9B1FA2D481394E4...
Affiant

2023-8203

Commissioner's Order

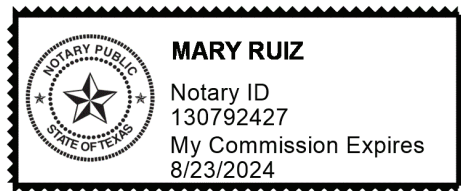
Douglas Millsaps

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SWORN TO AND SUBSCRIBED before me by means of an interactive two-way audio and video communication on 8/31/2023. This notarial act was an online notarization.

Notary Seal



Digital Certificate

DocuSigned by:
Mary Ruiz
795DC4D59167489...

Notary Public State of Texas

2023-8203

ACCEPTED
454-23-24985
8/8/2023 11:40:57 am
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Kevin Garza, CLERK

**SOAH DOCKET NO. 454-23-24985
TDI ENFORCEMENT FILE NO. 31937**

FILED
454-23-24985
8/8/2023 11:39 AM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Kevin Garza, CLERK

TEXAS DEPARTMENT OF INSURANCE,

Petitioner

v.

DOUGLAS MILLSAPS,

Respondent

BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

NOTICE OF HEARING

The Texas Department of Insurance seeks to deny your license application. This Notice of Hearing and the Original Petition, which is attached and incorporated for all purposes, states the allegations against you and the relief sought by the department.

A public hearing will be held before an Administrative Law Judge on **November 1, 2023, at 9:00 a.m.** The hearing will take place via videoconference using a videoconference platform controlled by the State Office of Administrative Hearings, unless otherwise ordered to proceed in another manner by the Administrative Law Judge.

The hearing shall be conducted under TEX. GOV'T CODE, ch. 2001 and 1 TEX. ADMIN. CODE, ch. 155. Unless otherwise directed by the Administrative Law Judge, the hearing shall continue from day to day in the offices of the State Office of Administrative Hearings until concluded. You have the right to appear at this hearing and to be represented by an attorney.

Parties that are not represented by an attorney may obtain information regarding contested case hearings on the public website of the State Office of Administrative Hearings at www.soah.texas.gov, or in printed format upon request to SOAH.

YOU MUST FILE A WRITTEN RESPONSE TO THE NOTICE OF HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN 20 DAYS OF THE DATE THE NOTICE OF HEARING WAS MAILED. FAILURE TO FILE A WRITTEN RESPONSE BY THIS DEADLINE SHALL ENTITLE TDI TO SEEK DISPOSITION BY DEFAULT UNDER 1 TEX. ADMIN. CODE § 155.501 AND 28 TEX. ADMIN. CODE §§ 1.88 AND 1.89.

EXHIBIT

A

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Notice of Hearing

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IF YOU FAIL TO FILE A WRITTEN RESPONSE, THE SCHEDULED HEARING CAN BE CANCELED AND WITHOUT FURTHER NOTICE TO YOU THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING DENIAL OF YOUR LICENSE APPLICATION, IS GRANTED BY DEFAULT.

IF YOU FILE A WRITTEN RESPONSE BUT THEN FAIL TO APPEAR ON THE DAY AND TIME SET FOR HEARING, WITHOUT FURTHER NOTICE TO YOU, THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING DENIAL OF YOUR LICENSE APPLICATION, IS GRANTED BY DEFAULT.

In accord with 28 TEX. ADMIN. CODE § 1.90(e) and 1 TEX. ADMIN. CODE §§ 155.101 and 155.103, you should send copies of your written response to:

- (1) *(by mail, fax, or electronically)*
Docketing Division
State Office of Administrative Hearings
300 West 15th Street, Room 504
P.O. Box 13025
Austin, Texas 78711-3025
(512) 322-2061 (Fax);
www.soah.texas.gov
- (2) *(by mail, fax, or email)*
Chief Clerk
Texas Department of Insurance
P.O. Box 12030, MC GC-CCO
Austin, Texas 78711-2030
(512) 490-1064 (Fax)
chiefclerk@tdi.texas.gov; and
- (3) *(by mail, fax, or email)*
Erik Huhn, Staff Attorney
Texas Department of Insurance
Enforcement, MC ENF

2023-8203

Notice of Hearing
Douglas Millsaps
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P.O. Box 12030
Austin, Texas 78711-2030
(512) 490-1020 (Fax)
Erik.Huhn@tdi.texas.gov

Receiving Documents Electronically and Filing Documents with SOAH

The State Office of Administrative Hearings (SOAH) offers you the ability to electronically receive orders and other documents issued by SOAH by email instead of by mail. If you want to receive SOAH-issued documents by email, follow the instructions on SOAH's website: www.soah.texas.gov.

A request to receive SOAH-issued documents by email does not change the procedures you must follow to file documents or exhibits with SOAH. Instructions on how to file documents and exhibits are on SOAH's website. SOAH's website also includes guidance for representing yourself.

Important Security Notice (for In-Person Hearings ONLY)

ALL VISITORS TO THE WILLIAM P. CLEMENTS BUILDING WITHOUT AN AGENCY OR DPS ISSUED ID CARD MUST PROVIDE THE BUILDING SECURITY OFFICER WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS DOCKET NUMBER AND RECEIVE A VISITOR'S PASS IN ORDER TO BE ALLOWED ACCESS TO THE HEARING ROOM. INDIVIDUALS SHOULD ALLOW ADDITIONAL TIME TO GO THROUGH THE SECURITY PROCESS.

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Douglas Millsaps
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If you have any questions, please contact me at the address or telephone number shown below.

Respectfully Submitted,

/s/Erik Huhn

Erik Huhn
State Bar No. 24132806
Texas Department of Insurance
Enforcement, MC ENF
P.O. Box 12030
Austin, Texas 78711-2030
(512) 676-6355 (Direct)
(512) 490-1020 (Fax)
Erik.Huhn@tdi.texas.gov

ATTORNEY FOR THE PETITIONER
TEXAS DEPARTMENT OF INSURANCE

Enclosure: Original Petition

cc: Leah Gillum, Deputy Commissioner, Fraud and Enforcement Division, MC ENF
Whitney Fraser, Litigation Director, Enforcement, MC ENF
Administrative Review, MC CO-AAL

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CERTIFICATE OF SERVICE

I, Erik Huhn, certify that a true and correct copy of the *Notice of Hearing and the Original Petition* were sent by regular, first-class mail and by certified mail, return receipt requested, on this 8th day of August, 2023 to:

Douglas Millsaps
2222 W 18th Street 39
Houston, TX 77008
Respondent Pro Se

Via CM/RRR: 9214890194038325435916

/s/Erik Huhn

Erik Huhn

2023-8203

SOAH Docket No. 454-23-24985

FILED
454-23-24985
8/3/2023 2:43 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
April Bermea , CLERK

SOAH DOCKET NO. 454-_____
TDI ENFORCEMENT FILE NO. 31937

ACCEPTED
454-23-24985
8/3/2023 4:55:41 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
April Bermea , CLERK

TEXAS DEPARTMENT OF INSURANCE,**Petitioner****v.****DOUGLAS MILLSAPS,****Respondent****BEFORE THE STATE OFFICE****OF****ADMINISTRATIVE HEARINGS****ORIGINAL PETITION**

The Texas Department of Insurance (TDI) seeks to deny Douglas Millsaps' license application. In support of this petition, TDI makes the following allegations upon information and belief:

Jurisdiction

The commissioner of insurance has jurisdiction over this matter under TEX. INS. CODE §§ 82.051-82.055, 4001.002, 4005.101, 4005.102, 4054.051; 28 TEX. ADMIN. CODE § 1.502; TEX. OCC. CODE §§ 53.021-53.023; and TEX. GOV'T CODE §§ 2001.051-2001.178.

Factual Allegations

1. On February 7, 2023, Millsaps applied for a general lines life accident and health agent license.
2. On March 24, 2023, TDI sent a proposed summary denial letter to Millsaps denying his application based on his criminal history which he disclosed.
3. On April 26, 2023, TDI acknowledged receipt of Millsaps' request for a hearing on the denial.

Criminal History:

4. On October 30, 2013, Millsaps pleaded guilty and was convicted of Conspiracy to Defraud the United States (Bank Fraud and Mail Fraud), a felony offense, in the

EXHIBIT**B**

United States District Court for the Western District of North Carolina, Case No. 3:12CR000151-002. The court sentenced Millsaps to five years probation and ordered him to pay \$1,716,813 in restitution.

5. On August 29, 2018, Millsaps was released from probation with an outstanding financial obligation of \$1,271,956.41 remaining due in restitution.
6. Millsaps has not satisfied his restitution obligation.

Legal Allegations

1. TDI may deny Millsaps' license application because he has engaged in fraudulent or dishonest acts or practices, as contemplated by TEX. INS. CODE § 4005.101(b)(5).
2. TDI may deny Millsaps' license application because he has been convicted of a felony, as contemplated by TEX. INS. CODE § 4005.101(b)(8).
3. TDI may deny Millsaps' license application because he has been convicted of an offense that directly relates to the duties and responsibilities of the licensed occupation, as contemplated under 28 TEX. ADMIN. CODE § 1.502(d), TEX. OCC. CODE §§ 53.021(a)(1), 53.022, and 53.023.
4. TDI may deny Millsaps' license application because he has committed an offense of such serious nature that it is of prime importance in determining fitness for licensure, as contemplated by 28 TEX. ADMIN. CODE § 1.502(e)(1) & 1.502(e)(3).
5. Millsaps has been convicted of a felony involving dishonesty or breach of trust, as specified in 18 U.S.C. 1033, requiring written consent from the commissioner of insurance to engage or participate in the business of insurance.
6. The factors listed under 28 TEX. ADMIN. CODE § 1.502(h) do not outweigh the serious nature of Millsaps' criminal history, as 28 TEX. ADMIN. CODE § 1.502(f) contemplates.

Relief Sought

If one or more of the above allegations is found to be true, TDI asks the Administrative Law Judge to enter a Proposal for Decision recommending that the commissioner of insurance issue an order:

1. denying Douglas Millsaps' license application, and
2. imposing any other just and appropriate relief to which TDI may be entitled by law.

Respectfully Submitted,

/s/Erik Huhn

Erik Huhn
State Bar No. 24132806
Texas Department of Insurance
Enforcement, MC ENF
P.O. Box 12030
Austin, Texas 78711-2030
(512) 676-6355 (Direct)
(512) 490-1020 (Fax)
Erik.Huhn@tdi.texas.gov

ATTORNEY FOR THE PETITIONER
TEXAS DEPARTMENT OF INSURANCE

2023-8203

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Mary Ruiz on behalf of Erik Huhn
Bar No. 24132806
Enforcementgeneral@tdi.texas.gov
Envelope ID: 78181809
Filing Code Description: Request to Docket
Filing Description: Request to Docket
Status as of 8/3/2023 4:59 PM CST

Associated Case Party: Chief Clerk

Name	BarNumber	Email	TimestampSubmitted	Status
Chief Clerk		ChiefClerk@tdi.texas.gov	8/3/2023 2:43:30 PM	SENT

Associated Case Party: Texas Department of Insurance

Name	BarNumber	Email	TimestampSubmitted	Status
Erik Huhn		Erik.Huhn@tdi.texas.gov	8/3/2023 2:43:30 PM	SENT
Whitney Fraser		Whitney.Fraser@tdi.texas.gov	8/3/2023 2:43:30 PM	SENT
Texas Department of Insurance		Enforcementgeneral@tdi.texas.gov	8/3/2023 2:43:30 PM	SENT

Associated Case Party: Douglas Millsaps

Name	BarNumber	Email	TimestampSubmitted	Status
Douglas Millsaps		DOUGLAS.MILLSAPS55@GMAIL.COM	8/3/2023 2:43:30 PM	SENT

2023-8203

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Mary Ruiz on behalf of Erik Huhn
Bar No. 24132806
Enforcementgeneral@tdi.texas.gov
Envelope ID: 78306071
Filing Code Description: Notice of Hearing
Filing Description: Millsaps NOH_OP
Status as of 8/8/2023 11:42 AM CST

Associated Case Party: Texas Department of Insurance

Name	BarNumber	Email	TimestampSubmitted	Status
Whitney Fraser		Whitney.Fraser@tdi.texas.gov	8/8/2023 11:39:50 AM	SENT
Texas Department of Insurance		Enforcementgeneral@tdi.texas.gov	8/8/2023 11:39:50 AM	SENT
Erik Huhn		Erik.Huhn@tdi.texas.gov	8/8/2023 11:39:50 AM	SENT
Leah Gillum		Leah.Gillum@tdi.texas.gov	8/8/2023 11:39:50 AM	SENT
Jodie Delgado		jodie.delgado@tdi.texas.gov	8/8/2023 11:39:50 AM	SENT

Associated Case Party: Chief Clerk

Name	BarNumber	Email	TimestampSubmitted	Status
Chief Clerk		ChiefClerk@tdi.texas.gov	8/8/2023 11:39:50 AM	SENT

Associated Case Party: Douglas Millsaps

Name	BarNumber	Email	TimestampSubmitted	Status
Douglas Millsaps		DOUGLAS.MILLSAPS55@GMAIL.COM	8/8/2023 11:39:50 AM	SENT

Firm Mailing Book For Accountable Mail

Privacy Note: For more information on USPS privacy policies, visit usps.com/privacy-policy.

C

2023-8203



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 08/08/2023

Shipped From:

Name: ENF R RODRIGUEZ

Address: 1601 CONGRESS AVE

City: AUSTIN

State: TX ZIP+4® 78701

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0046 2741 74

Huhn/31937



Name and Address of Sender

ENF R. RODRIGUEZ

1601 CONGRESS AVE

STE 6.900

AUSTIN TX 78701

12

USPS Tracking/Article Number

1. 9214 8901 9403 8325 4359 16

Huhn/31937

Check type of mail or service

☐ Adult Signature Required ☐ Priority Mail Express

☐ Adult Signature Restricted Delivery ☐ Registered Mail☒ Certified Mail☐ Certified Mail Restricted Delivery
☐ Merchandise
☐ Return Receipt for Merchandise☐ Defined Mail Restricted Delivery ☐ International Mailmark☐ Collect on Delivery (COD)

☐ Insured Mail

☐ Signature Confirmation

☐ Restricted Delivery

☐ Priority Mail ☐ Registered Delivery

Addressee (Name, Street, City, State, & ZIP Code™)

DOUGLAS MILLSAPS

2222 W 18TH STREET 39

HOUSTON, TX 77008

Huhn/31937

Affix Stamp Here

(for additional copies of this receipt).

Postmark with Date of Receipt.

Posta

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4.35

Handling Charge - if Registered and over \$50,000 in value

Adult Signature Required

Adult Signature Restricted Delivery

Restricted Delivery

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Signature Confirmation

Signature Confirmation Restricted Delivery

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AUG 04 2023

TID - ENFORCEMENT

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Total Number of Pieces Received at Post Office

Postmaster, Per (Name of receiving employee)

PS Form 3877, January 2017 (Page 1 of 1)

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