

No. 2025-9686

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

Date: 12/17/2025

Subject Considered:

Texas Department of Insurance

v.

Jamal Derrick Hudson

SOAH Docket No. 454-25-17148.C

General Remarks and Official Action Taken:

The subject of this order is Jamal Derrick Hudson's application for a general lines agent license with a life, accident, health, and HMO qualification. This order denies Mr. Hudson's application and denies consent for Mr. Hudson to engage or participate in the business of insurance.

Background

After proper notice was given, the above-styled case was heard by an administrative law judge for the State Office of Administrative Hearings. The administrative law judge made and filed a proposal for decision containing a recommendation that the Texas Department of Insurance (TDI) deny Mr. Hudson's application and that TDI deny consent for Mr. Hudson to engage or participate in the business of insurance. A copy of the proposal for decision is attached as Exhibit A.

Findings of Fact

The proposed findings of fact contained in Exhibit A are adopted and incorporated by reference into this order.

Conclusions of Law

The proposed conclusions of law contained in Exhibit A are adopted and incorporated by reference into this order.

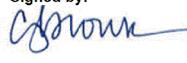
2025-9686

COMMISSIONER'S ORDER
TDI v. Jamal Derrick Hudson
SOAH Docket No. 454-25-17148.C
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Order

It is ordered that Jamal Derrick Hudson's application for a general lines agent license with a life, accident, health, and HMO qualification is denied.

It is further ordered that Jamal Derrick Hudson is denied consent to engage or participate in the business of insurance.

Signed by:

FC5D7EDDFFB4F8...
Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:

Signed by:

5DAC5618BBC74D4...
Jessica Barta, General Counsel

Signed by:

27ADF3DA5BAF4B7...
Justin Beam, Chief Clerk

**BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

—
**TEXAS DEPARTMENT OF INSURANCE,
PETITIONER**

v.

**JAMAL DERRICK HUDSON,
RESPONDENT**

PROPOSAL FOR DECISION

The staff (Staff) of the Texas Department of Insurance (Department) seeks to deny, based on his criminal history, the application of Jamal Derrick Hudson (Respondent) for a general lines agent license with a life, accident, health, and HMO¹ qualification. Further, Staff recommends the Department deny consent to allow Mr. Hudson to engage or participate in the business of insurance. After considering the evidence and applicable law, the Administrative Law Judge (ALJ) recommends the Department deny Mr. Hudson’s application for licensure and deny consent for him to engage or participate in the business of insurance.

¹ “HMO” was not defined at the hearing. Given the context, the Administrative Law Judge (ALJ) infers this acronym likely refers to “health maintenance organization.”

I. NOTICE, JURISDICTION, AND PROCEDURAL HISTORY

Notice and jurisdiction were not disputed and are addressed in the Findings of Fact and Conclusions of Law without further discussion herein. The hearing was convened via Zoom videoconference on July 2, 2025, by ALJ Whitney L. Stoebner of the State Office of Administrative Hearings (SOAH). Staff attorney Kaycee Crisp appeared on behalf of the Department. Mr. Hudson appeared on his own behalf. The record closed on July 24, 2025, with the filing of the admitted exhibits and transcript.

II. APPLICABLE LAW

The Texas Insurance Code authorizes the Department to regulate the business of insurance in this state.² In order to act as an insurance agent, a person must hold a license issued by the Department.³ The Department considers it very important that license holders and applicants are honest, trustworthy, and reliable.⁴ The Department may deny a license application or discipline a license holder on several grounds, including if the applicant or licensee has (1) engaged in fraudulent or dishonest acts or practices; or (2) been convicted of a felony.⁵ The Department may also deny an application for licensure or revoke, suspend, or refuse to renew a license

² Tex. Ins. Code § 31.002. This Proposal for Decision cites the substantive law in effect when Mr. Hudson applied for a license in May 2024 and the current procedural law.

³ Tex. Ins. Code §§ 101.102, 4001.051, .101.

⁴ 28 Tex. Admin. Code § 1.502(c).

⁵ Tex. Ins. Code § 4005.101(b)(5), (8).

if the applicant or licensee has been convicted of an offense that directly relates to the duties and responsibilities of the licensed occupation.⁶

In determining whether to grant a license to an applicant with criminal convictions, the Department considers the factors listed in Texas Occupations Code sections 53.022 and .023.⁷ Texas Occupations Code section 53.022 assists the licensing authority in determining whether a criminal conviction directly relates to the duties and responsibilities of a licensed occupation. These factors include:

1. the nature and seriousness of the crime;
2. the relationship of the crime to the purposes for requiring a license to engage in the occupation;
3. the extent to which a license might offer an opportunity to engage in further criminal activity of the same type as that in which the person previously had been involved;
4. the relationship of the crime to the ability or capacity required to perform the duties and discharge the responsibilities of the licensed occupation; and
5. any correlation between the elements of the crime and the duties and responsibilities of the licensed occupation.⁸

The issue of whether an offense directly relates to the duties and responsibilities of the licensed occupation also requires consideration of the

⁶ Tex. Occ. Code § 53.021(a)(1); 28 Tex. Admin. Code § 1.502(d)(1).

⁷ 28 Tex. Admin. Code § 1.502(e).

⁸ Tex. Occ. Code § 53.022.

“guideline crimes,” which are offenses the Department considers to be of such a serious nature that they are of “prime importance in determining fitness for licensure.”⁹ These offenses include, in pertinent part:

- any offense for which fraud, dishonesty, or deceit is an essential element;
- any criminal violation of the Texas Insurance Code or an offense pertaining to the financial industry or business of insurance under any state or federal law, including, in part, a fraud offense, as described by Texas Penal Code Chapter 32;¹⁰
- any felony involving moral turpitude or breach of fiduciary duty;
- any criminal attempt or conspiracy to commit any offense listed under 28 Texas Administrative Code section 1.502, as described by Texas Penal Code sections 15.01 (Criminal Attempt) or 15.02 (Criminal Conspiracy);¹¹ and

⁹ 28 Tex. Admin. Code § 1.502(f); *see also* Tex. Occ. Code § 53.025.

¹⁰ Chapter 32 of the Texas Penal Code provides elements for various fraud offenses, including credit or debit card abuse (Texas Penal Code § 32.31), fraudulent use or possession of credit card or debit card information (Texas Penal Code section 32.315), and fraudulent use or possession of identifying information (Texas Penal Code § 32.51). Under Texas Penal Code section 32.31(b)(8), a person commits the offense of credit card or debit card abuse if not being the cardholder, and without the effective consent of the cardholder, he possesses a credit card or debit card with the intent to use it. Under Texas Penal Code section 32.315(b)(2), a person commits an offense if the person, with the intent to harm or defraud another, obtains, possesses, transfers, or uses the number and expiration date of a credit card or debit card without the consent of the account holder. For purposes of Texas Penal Code sections 32.31 and 32.315, the definition of credit card includes the credit card number. Tex. Penal Code § 32.31(a)(2). Under Texas Penal Code section 32.51(b)(1), a person commits the offense of fraudulent use or possession of identifying information if the person, with the intent to harm or defraud another, obtains, possesses, transfers, or uses an item of identifying information of another person without the other person’s consent or effective consent. For purposes of Texas Penal Code section 32.51, identifying information includes a financial institution account number. Tex. Penal Code § 32.51(a)(1)(C).

¹¹ Pursuant to Texas Penal Code section 15.02, a person commits criminal conspiracy if, with intent that a felony be committed, he agrees with one or more persons that they or one or more of them engage in conduct that would constitute the offense; and he or one or more of them performs an overt act in pursuance of the agreement.

- any offense under the laws of another state or federal law¹² if the offense contains elements that are substantially similar to the elements of an offense listed under 28 Texas Administrative Code section 1.502.¹³

If the Department determines that a criminal conviction is directly related to the duties and responsibilities of the licensed occupation, it must then consider the following factors in determining whether to take action on the license:

1. the extent and nature of the person’s past criminal activity;
2. the age of the person when the crime was committed;
3. the amount of time that has elapsed since the person’s last criminal activity;
4. the conduct and work activity of the person before and after the criminal activity;
5. evidence of the person’s rehabilitation or rehabilitative effort while incarcerated or after release;
6. evidence of the person’s compliance with any conditions of community supervision, parole, or mandatory supervision; and
7. other evidence of the person’s fitness, including letters of recommendation.¹⁴

¹² As discussed further below, Mr. Hudson was convicted of several federal felony offenses, including access device fraud, bank fraud, and conspiracy to commit offense or to defraud the United States. 18 U.S.C. §§ 1029(a)(2), 1344; and 371.

¹³ 28 Tex. Admin. Code § 1.502(f)(1), (2)(A), (3), (7), (8).

¹⁴ Tex. Occ. Code § 53.023(a)(1)-(7).

Federal law requires that, to engage in the business of insurance, a person who has been convicted of any criminal felony involving dishonesty or breach of trust must obtain the written consent of any insurance regulatory official authorized to regulate that person.¹⁵

Staff has the burden of producing evidence to demonstrate Mr. Hudson's application should be denied due to his criminal history, while Mr. Hudson has the burden to demonstrate his fitness to be licensed despite his criminal history.¹⁶ The standard of proof is by a preponderance of the evidence.¹⁷

III. EVIDENCE

At the hearing, Staff had six exhibits admitted into evidence and presented the testimony of Lewis Weldon Wright IV, an Administrative Review Liaison for the Department.¹⁸ The ALJ took official notice of current provisions of the Texas Insurance Code, Texas Occupations Code, and Texas Administrative Code.

¹⁵ 18 U.S.C. § 1033(e)(1)(A), (2).

¹⁶ 1 Tex. Admin. Code § 155.427; Tex. Occ. Code § 53.023(b).

¹⁷ *Granek v. Tex. State Bd. of Med. Exam'rs*, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.).

¹⁸ Staff's exhibits include: Staff Ex. 1 (Notice of Hearing); Staff Ex. 2 (Mr. Hudson's Agent and Adjuster License Application Packet); Staff Ex. 3 (Communication from Mr. Hudson to the Department dated November 17, 2024); Staff Ex. 4 (Communication from Mr. Hudson to the Department dated November 17, 2024); Staff Ex. 5 (Criminal Records regarding Case MWV043363 San Bernadino, California); Staff Ex. 6 (Criminal Records regarding Case 2:09-cr-00171-SSV-ALC Eastern District of Louisiana).

Mr. Hudson had eight exhibits admitted into evidence and testified on his own behalf.¹⁹

A. BACKGROUND

1. Application

On May 31, 2024, Mr. Hudson applied for a Texas general lines life, accident, health, and HMO agent license.²⁰ General lines agents represent insurance companies during the sale of insurance products; they have direct interaction with consumers regarding applications for those products and further have access to consumers' personal and banking information.²¹ Due to Mr. Hudson's criminal history, the Department proposed to deny Mr. Hudson's application on August 9, 2024.²² Mr. Hudson requested a hearing to contest the denial.²³

2. Respondent's Criminal History

On May 12, 1998, Mr. Hudson pleaded guilty in Case Number MWV043363 before the Superior Court of California, in San Bernadino County, to the

¹⁹ Respondent's exhibits include: Respondent Ex. 1 (2021 Accenture Job Course); Respondent Ex. 2 (2022 Accenture Job Course); Respondent Ex. 3 (2023 Accenture Job Course); Respondent Ex. 4 (2024 Accenture Job Course); Respondent Ex. 5 (June 29, 2025 Worker Profile); Respondent Ex. 6 (Percipio Certificates of Completion); Respondent Ex. 7 (June 18, 2025 Worker Profile); and Respondent Ex. 8 (Personnel Records).

²⁰ Staff Ex. 2 at Bates TDI0075.

²¹ Direct Testimony of Lewis Weldon Wright IV (Wright Direct), Transcript (Tr.) at 52:1-14.

²² Staff Ex. 2 at Bates TDI0024.

²³ Staff Ex. 2 at Bates TDI0023, TDI0083.

misdemeanor offense of inflicting corporeal injury on a spouse/cohabitant.²⁴ Mr. Hudson was sentenced to 30 days' confinement, with credit for six days' time served, and a period of 36 months' probation.²⁵ At the time of this incident, Mr. Hudson was about 28 years old.²⁶

On November 11, 2011, Mr. Hudson was found guilty after a jury trial in Case Number 2:09-cr-00171-SSV-ALC of three counts of access device fraud,²⁷ six counts of bank fraud,²⁸ and one count of conspiracy to commit access fraud and bank fraud (conspiracy)²⁹ in the United States District Court for the Eastern District of Louisiana.³⁰ The court sentenced Mr. Hudson to 60 months' confinement for the conspiracy charge and 116 months' imprisonment as to the remaining charges, to be served concurrently. Upon release from prison, Mr. Hudson was sentenced to three years' supervised release for the conspiracy and access device fraud

²⁴ Staff Ex. 5. According to Mr. Wright, this offense would be equivalent to a Class A misdemeanor offense in Texas. Wright Direct, Tr. at 54:24-55:5.

²⁵ Staff Ex. 5.

²⁶ Wright Direct, Tr. at 53:17-54:6.

²⁷ Pursuant to 18 U.S.C. section 1029(a)(2), a person commits access device fraud by knowingly and with intent to defraud trafficking in or using one or more unauthorized access devices during any one-year period, and by such conduct obtains anything of value aggregating \$1,000 or more during that period.

²⁸ Pursuant to 18 U.S.C. section 1344, a person commits bank fraud by knowingly executing, or attempting to execute, a scheme or artifice to defraud a financial institution or by obtaining any of the moneys, funds, credits, assets, securities, or other property owned by, or under the custody or control of, a financial institution, by means of false or fraudulent pretenses, representations, or promises.

²⁹ Pursuant to 18 U.S.C. section 371, a person commits the offense of conspiracy to commit offense or to defraud the United States if two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy.

³⁰ Staff Ex. 6. Pursuant to 18 U.S.C. section 3156(3), a felony is an offense punishable by a maximum term of imprisonment of more than one year; accordingly, Mr. Hudson's federal offenses were felonies. 18 U.S.C. §§ 371, 1029(a), (c), 1344.

convictions and five years' supervised release on the bank fraud convictions, to be served concurrently. Mr. Hudson was further ordered to pay \$188,756.44 in restitution. He successfully completed the conditions of his supervision, which expired May 2, 2024.³¹

The United States Secret Service (USSS) investigated the incidents underlying Mr. Hudson's federal felony convictions and determined that he was implicated in a fraud scheme involving the creation of false Alltel wireless accounts in the New Orleans metropolitan area (cellphone scheme).³² According to the investigators, Mr. Hudson provided his co-conspirators with stolen credit card numbers and identifying information, which they used to place orders for wireless services and cellphones from Alltel. Mr. Hudson instructed the co-conspirators to sell the cellphones for \$125 each and share the proceeds with him. According to the co-conspirators, Mr. Hudson kept notebooks that included names, social security numbers, dates of birth, and bank account information. Alltel estimated a loss of approximately \$140,000 for airtime and \$50,000 for equipment.

B. TESTIMONY OF LEWIS WELDON WRIGHT IV

Mr. Wright has been employed by the Department for 18 years. He has worked in both private and governmental roles in the insurance industry. He currently serves as the Administrative Review Liaison to the Enforcement Division for the Agent and

³¹ Staff Ex. 2 at Bates TDI0045.

³² Staff Ex. 6 at Bates TDI0278-TDI0279. Alltel began an internal investigation of the cellphone scheme in September 2003. The evidence demonstrated that Mr. Hudson would have been approximately 33 years old at the time these incidents occurred. Wright Direct, Tr. at 54:3-6.

Adjuster Licensing Office. In that capacity, he is the primary contact between the Agent and Adjuster Licensing Office and the Department's Enforcement Division regarding licensing applications for applicants or licensees that have allegedly engaged in misconduct.

According to Mr. Wright, the Department receives approximately 200,000 applications annually. Upon receipt, the Department reviews the application for completeness and conducts a background check on the applicant, including a criminal history check. If an applicant has criminal history, the application is referred to the Department's Administrative Review section (AR). AR requests copies of court documents, the applicant's personal statement, and any other evidence of rehabilitation from the applicant. After reviewing the supplemental documents, AR issues a recommendation regarding whether the license should be granted. When a license is granted, this demonstrates that the Department has completed its due diligence in evaluating the applicant and deemed the applicant to be honest, trustworthy, and reliable. Mr. Wright explained that the nomenclature, funding mechanisms, and coverage provided by the insurance industry are complex and, therefore, require consumers to trust and rely upon the knowledge and expertise of licensees. Further, licensees have access to sensitive personal and financial information of consumers. For these reasons, the Department seeks to protect consumers by screening applicants.

The Department proposed denying Mr. Hudson's application due to his prior felony convictions. Mr. Wright explained that Mr. Hudson's felony offenses related to the cellphone scheme would be considered crimes of prime importance to the

Department; notably, these crimes involved the use of credit card information. Mr. Wright postulated that Mr. Hudson may have had access to this financial information through his employment. Specifically, Mr. Hudson's employment history demonstrated the following pertinent work history:

- Sears Credit Center – Credit Sales and Collection Specialist (1996-1999)
- Verizon Wireless – Senior Financial Services Representative (2000-2003)
- AT&T – Sales and Customer Service Representative (2005-2011)

Mr. Hudson provided written statements regarding his criminal conduct.³³ While these statements accurately described his criminal history, they did not, according to Mr. Wright, demonstrate remorse. Mr. Hudson also did not provide an explanation for why he engaged in criminal conduct. Mr. Wright opined that as of July 2024, Mr. Hudson had paid only \$200 toward the outstanding restitution.³⁴

Mr. Hudson also submitted evidence in support of his application for licensure, including letters of recommendation, his resume demonstrating gainful employment, documentation from the Department of Veteran's Affairs demonstrating his military service and honorable discharge, and transcripts of

³³ Staff Ex. 2 Bates TDI0051-TDI0055.

³⁴ Staff Ex. 2 at Bates TDI10060. The Department provided an invoice dated July 27, 2024, demonstrating that, at that time, Mr. Hudson owed \$175,474.62 in restitution and was paying \$200 per month. However, while the Department contends Mr. Hudson had paid only \$200 toward his total restitution amount as of July 2024, the invoice demonstrates Mr. Hudson was not in arrears, which would support a finding that he had made regular payments.

coursework he has completed through his employer.³⁵ While two of Mr. Hudson's references had known him for 30 years or more, none of the letters demonstrated the authors were aware of his criminal history.³⁶ Mr. Hudson's military service was viewed favorably in the Department's review of his application. Likewise, the coursework transcripts submitted by Mr. Hudson demonstrated he was motivated for improvement within his current job, which was also viewed favorably.

Mr. Wright opined that Mr. Hudson has made valid attempts to demonstrate his fitness for licensure; however, the rehabilitation information he provided did not outweigh the Department's concerns regarding his criminal history. Based on the nature and severity of Mr. Hudson's criminal history and the relation of that history to the license, the Department proposed denying Mr. Hudson's application.

C. RESPONDENT'S TESTIMONY

Mr. Hudson was released from prison on November 6, 2018. He obtained employment within a month with LSG Sky Chefs (Sky Chefs), which caters food for first-class airline passengers, at the Austin International Airport. Mr. Hudson was responsible for receiving products for fourteen airlines. After approximately two years, Mr. Hudson left Sky Chefs and began employment with Accenture, where he is still working. Through Accenture, he has been detailed to various assignments including Facebook, where he worked in the Trust and Safety Division, and the State

³⁵ Staff Ex. 2 at Bates TDI0056-0058, TDI0061-0063, TDI0072; Staff Ex. 3; Respondent Exs. 1-4, 6. Mr. Hudson served in the Marine Corps from September 1987 to September 1991. The contents of the letters of recommendation are detailed further below.

³⁶ Staff Ex. 2 at Bates TDI0056-TDI0058.

of Tennessee. Mr. Hudson has completed extensive coursework through his employment, including classes in safety and fraud.³⁷ As to the connection between his former employers and his criminal conduct, Mr. Hudson stated that the underlying law enforcement investigation was conducted in 2003 or 2004; however, he was not arrested until 2009. He denied that he obtained personal information through his employment at Sears, AT&T, and Verizon. When he was arrested in 2009, he was still working for AT&T, and he continued working for them for two years after his arrest.

Mr. Hudson is still paying his restitution. He stated that the restitution was split between eight defendants.³⁸ He currently owes about \$100,000, pays \$200 per month, and has never missed a restitution payment.

D. LETTERS OF RECOMMENDATION

Mr. Hudson provided three letters of recommendation during his application process, summarized below:

- Foxy Wilson has known Mr. Hudson for 30 years and described him as extremely ambitious, knowledgeable in many subject areas, and family-oriented.
- Trina Warren has known Mr. Hudson for about four years. She described him as reliable, intelligent, and honest. She also stated that Mr. Hudson has a strong sense of integrity and is an asset to his company.

³⁷ Staff Ex. 3; Respondent Exs. 1-4, 6. Mr. Hudson has completed numerous courses through his employment, including courses in Information Security and Leading with Integrity.

³⁸ The restitution invoice provided by the Department is only in Mr. Hudson's name. Staff Ex. 2 at Bates TDI10060.

- Fritz Joseph has known Mr. Hudson for 38 years and recruited him into the Marines in 1986. According to Mr. Joseph, Mr. Hudson is a responsible citizen who has always given back to his community and consistently demonstrates good judgment when faced with challenges.³⁹

IV. ANALYSIS AND RECOMMENDATION

The Department may deny a license application if the Department determines the applicant has engaged in fraudulent or dishonest acts or practices or has been convicted of a felony.⁴⁰ In addition, the Department may deny an application for licensure if the applicant is convicted of a crime that directly relates to the licensed occupation.⁴¹ In determining whether to deny a license based on a person's criminal history, the Department considers the factors identified under Texas Occupations Code sections 53.022 and 53.023, as discussed above.⁴² The Department considers certain offenses to be guideline crimes that are of particular importance in determining fitness for licensure and that are directly related to insurance occupations, including offenses where fraud, dishonesty, or deceit are an essential element; fraudulent offenses pertaining to the financial industry; felonies involving moral turpitude; conspiracies to commit fraud offenses; and violations of federal law that contain elements that are substantially similar to the offenses provided under 28 Texas Administrative Code section 1.052.⁴³

³⁹ Staff Ex. 2 at Bates TDI0055-TDI0058.

⁴⁰ Tex. Ins. Code §§ 4005.101(b)(5), (8).

⁴¹ Tex. Occupations Code § 53.021(a)(1); 28 Tex. Admin. Code § 1.502(d)(1), (f).

⁴² 28 Tex. Admin. Code § 1.502(e).

⁴³ 28 Tex. Admin. Code § 1.502(f)(1), (2)(A), (3), (7), (8).

The evidence demonstrated that Mr. Hudson’s criminal history began in 1998, when he was convicted of a domestic violence offense. In 2011, he was convicted of multiple felony offenses—all of which arose from the cellphone scheme—including several counts of access device fraud and bank fraud and conspiracy to commit those fraud offenses; each of these offenses involve fraudulent or dishonest acts or practices. The Department seeks to deny Mr. Hudson’s application for licensure based on these convictions.⁴⁴ Because Mr. Hudson engaged in fraudulent or dishonest acts or practices and has been convicted of felonies, the Department may deny his application.⁴⁵

The Department may also deny Mr. Hudson’s application because his felony convictions resulting from the cellphone scheme directly relate to the duties and responsibilities of the licensed occupation.⁴⁶ Mr. Hudson’s access device fraud and bank fraud convictions are directly related to the duties and responsibilities of the licensed occupation because they include fraud, dishonesty, or deceit as an essential element; are fraud offenses that pertain to the financial industry; are felonies involving moral turpitude; and are offenses under federal law that contain elements that are substantially similar to the offenses listed under 28 Texas Administrative Code section 1.502.⁴⁷ Further, Mr. Hudson’s conspiracy conviction is also directly related to the duties and responsibilities of the licensed

⁴⁴ The evidence demonstrated Mr. Hudson’s prior domestic violence offense was not a basis for denying his application. Wright Direct, Tr. at 54:2-55:5.

⁴⁵ Tex. Ins. Code § 4005.101(b)(5), (8).

⁴⁶ Tex. Occ. Code § 53.021(a)(1); 28 Tex. Admin. Code § 1.502(d)(1).

⁴⁷ 28 Tex. Admin. Code § 1.502(f)(1), (2)(A), (3), (8).

occupation because Mr. Hudson was convicted of conspiracy to commit fraud offenses.⁴⁸

Considering the factors in Texas Occupations Code section 53.022, Mr. Hudson's criminal convictions related to the cellphone scheme are serious. The preponderant evidence demonstrates there was likely a nexus between Mr. Hudson's former employment and his felony conduct. It is uncontested Mr. Hudson worked for Sears Credit Center and Verizon Wireless in the years immediately preceding the cellphone scheme and, therefore, likely had access to the personal and financial information of customers.⁴⁹ Mr. Hudson was known to keep notebooks containing personal information such as names, social security numbers, dates of birth, and bank account information. Though he denied obtaining such information through his former employment, Mr. Hudson offered no alternative source for the information used in the cellphone scheme. Were Mr. Hudson licensed, he would again have access to such information, which would afford him an opportunity to engage in further criminal activity of the same type he engaged in during the cellphone scheme.

Having determined that the Department may deny Mr. Hudson's application for licensure, the Department's rules require that the ALJ examine the factors contained in section 53.023 of the Texas Occupations Code to ascertain whether

⁴⁸ 28 Tex. Admin. Code § 1.502(f)(7).

⁴⁹ Mr. Hudson began working at AT&T after the USSS investigation began. He testified that he continued working there after he was arrested. For this reason, the ALJ finds it likely that the information used in the cellphone scheme came from employment Mr. Hudson held prior to working for AT&T.

licensure denial is warranted.⁵⁰ As discussed above, Mr. Hudson has a serious criminal history. He was approximately 28 years old at the time of his domestic violence offense, and approximately 33 years old at the time his fraud and conspiracy offenses occurred; accordingly, the ALJ does not consider these offenses to be youthful indiscretions. It is unclear exactly when the cellphone scheme ended, and Mr. Hudson was not arrested for the related offenses until 2009. Accordingly, his last criminal activity occurred somewhere between 22 and 16 years ago. Mr. Hudson was incarcerated from 2011 to 2018, and there is no evidence that he has reoffended since his release. Mr. Hudson does not appear to show remorse for his prior convictions, nor has he provided any explanation for what motivated him to engage in criminal conduct.

Moreover, it is unclear how much restitution Mr. Hudson still owes. He contends he has consistently paid \$200 per month, and the documentation provided by the Department demonstrates that Mr. Hudson did not have any arrearage as of July 2024. However, while Mr. Hudson maintains he owes about \$100,000, the July 2024 invoice shows he owed \$175,474.62 at that time. Even if he has paid \$200 per month since July 2024, this would not explain the discrepancy.

Weighing in Mr. Hudson's favor, he successfully completed his community supervision in May 2024. In addition, Mr. Hudson has maintained steady employment for almost seven years, including positions with Sky Chefs and Accenture. He has completed numerous training courses through his employment.

⁵⁰ 28 Tex. Admin. Code § 1.502(e).

Mr. Hudson served in the military for four years and was honorably discharged, though his service preceded his felony offenses. Furthermore, Mr. Hudson provided several letters of recommendation, including two letters from individuals who have known him for many years. It is unclear from a review of these letters, however, whether the authors were aware of Mr. Hudson's criminal convictions.

Upon consideration of these factors, the ALJ finds Mr. Hudson has not proven by the preponderance of the evidence that he is currently fit for licensure. It is commendable that Mr. Hudson obtained employment within a month of his release from prison and has worked steadily for almost seven years. Nevertheless, his convictions stemming from the cellphone scheme are serious crimes. As discussed above and of particular concern, Mr. Hudson would have access to the same types of sensitive personal and financial information used in furtherance of the cellphone scheme were he to receive a license from the Department.

For these reasons, the ALJ finds Mr. Hudson's mitigating evidence does not outweigh the seriousness of his felony offenses, which are directly related to the licensed occupation. Accordingly, the ALJ recommends denial of Mr. Hudson's application for a general lines agent license.

Under federal law, a person who has been convicted of any criminal felony involving dishonesty or breach of trust requires written consent of any insurance regulatory official authorized to regulate that person to engage in the business of

insurance.⁵¹ Staff seeks a recommendation that the Department deny such consent to Mr. Hudson. Here, Mr. Hudson has been convicted of multiple felonies involving dishonesty and breach of trust, including access device fraud, bank fraud, and conspiracy to commit these offenses. For this reason, the ALJ recommends the Department not consent for Mr. Hudson to engage in the business of insurance.

In support of these recommendations, the ALJ makes the following Findings of Fact and Conclusions of Law.

V. FINDINGS OF FACT

1. General lines agents represent insurance companies during the sale of insurance products and have direct interaction with consumers regarding their applications for those products. In addition, general lines agents have access to personal and banking information of consumers.
2. On May 31, 2024, Jamal Derrick Hudson (Respondent) applied with the Texas Department of Insurance (Department) for a Texas general lines agent license with life, accident, health, and health maintenance organization qualifications.
3. On August 9, 2024, the Department proposed to deny Mr. Hudson's application due to his criminal history.
4. From September 1987 to September 1991, Mr. Hudson served in the United States Marine Corps and was honorably discharged after his service.
5. On May 12, 1998, Mr. Hudson pleaded guilty in Case Number MWV043363 before the Superior Court of California, in San Bernadino County, to the misdemeanor offense of Inflicting Corporeal Injury on a Spouse/Cohabitant. Mr. Hudson was sentenced to 30 days' confinement, with credit for six

⁵¹ 18 U.S.C. § 1033(e).

days' time served, and a period of 36 months' probation. At the time of the underlying incident, Mr. Hudson was about 28 years old.

6. From 1996 to 1999, Mr. Hudson worked as a credit sales and collections specialist for Sears Credit Center. From 2000 to 2003, he worked for Verizon Wireless as a senior financial services representative. From 2005 to 2011, Mr. Hudson worked as a sales and customer service representative for AT&T. In these positions, Mr. Hudson had access to the personal and financial information of customers.
7. In September 2003, Alltel began an internal investigation of a scheme involving the creation of false Alltel wireless accounts in New Orleans (cellphone scheme). The matter was referred to the United States Secret Service for investigation. According to that investigation, Mr. Hudson provided other individuals, his co-conspirators, with stolen credit card numbers and identifying information, which they used to place orders for wireless service and phones from Alltel. Mr. Hudson instructed the co-conspirators to sell the cellphones for \$125 each and share the proceeds with him. Mr. Hudson kept notebooks that contained names, social security numbers, dates of birth, and bank account information.
8. Alltel estimated a loss of approximately \$140,000 for airtime and \$50,000 for equipment as a result of Mr. Hudson's fraud scheme.
9. On November 11, 2011, Mr. Hudson was found guilty by a jury in Case Number 2:09-cr-00171-SSV-ALC for felony offenses related to the cellphone scheme, including one count of conspiracy to commit access fraud and bank fraud (conspiracy), three counts of access device fraud, and six counts of bank fraud in the United States District Court for the Eastern District of Louisiana. The court sentenced Mr. Hudson to 60 months' confinement for the conspiracy charge and 116 months' confinement for the remaining charges, to be served concurrently. Upon release from prison, Mr. Hudson was sentenced to three years' supervised release for the conspiracy and access device fraud counts and five years' supervised release for the bank fraud counts, to be served concurrently. Mr. Hudson was also ordered to pay \$188,756.44 in restitution.

10. The offenses of access device fraud, bank fraud, and conspiracy to commit these offenses are serious crimes that the Department considers to be of prime importance in determining fitness for licensure and are directly related to the duties and responsibilities of a general lines agent.
11. Mr. Hudson submitted three letters of recommendation in support of his licensure application. Two of the letters are from individuals who have known him for 30 years or more. The references speak highly of Mr. Hudson and his character. It is unknown whether the references were aware of Mr. Hudson's criminal history.
12. Mr. Hudson was released from prison in November 2018.
13. Mr. Hudson has maintained steady employment since his release from prison.
14. Mr. Hudson has completed extensive coursework through his employment.
15. Mr. Hudson completed all conditions of his court-ordered supervision, which expired on May 2, 2024.
16. Mr. Hudson is required to pay \$200 per month in restitution.
17. As of July 2024, Mr. Hudson was not in arrears regarding the payment of his restitution.
18. The amount of restitution owed by Mr. Hudson at this time is unknown.
19. Mr. Hudson has no other criminal history beyond the offenses detailed above.
20. On April 22, 2025, Staff for the Department issued a notice of hearing with an original petition in which it sought denial of Mr. Hudson's license application.
21. The notice of hearing contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and either a short, plain statement of the factual matters asserted or an attachment that incorporated by reference the factual matters asserted in the complaint or petition filed with the state agency.

22. The hearing was convened by Zoom videoconference on July 2, 2025, by Administrative Law Judge Whitney L. Stoebner of the State Office of Administrative Hearings (SOAH). Attorney Kaycee Crisp represented Staff. Mr. Hudson appeared on his own behalf. The record closed on July 24, 2025, with the filing of the admitted exhibits and transcript.

VI. CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter. Tex. Ins. Code §§ 4001.002; 4005.101.
2. SOAH has authority to hear this matter and issue a proposal for decision with findings of fact and conclusions of law. Tex. Gov't Code ch. 2003; Tex. Ins. Code § 4005.104.
3. Mr. Hudson received timely and sufficient notice of the hearing. Tex. Gov't Code §§ 2001.051-.052; Tex. Ins. Code § 4005.104(b).
4. The Department has the burden to prove its grounds for licensure denial by a preponderance of the evidence, while Mr. Hudson has the burden to prove by a preponderance of the evidence that he is fit to perform the duties and discharge the responsibilities of an insurance agent despite his criminal history. 1 Tex. Admin. Code § 155.427; Tex. Occ. Code § 53.023(b); *Granek v. Tex. State Bd. of Med. Exam'rs*, 172 S.W.3d 761, 777 (Tex. App.— Austin 2005, no pet.).
5. The Department considers it very important that license holders and applicants be honest, trustworthy, and reliable. 28 Tex. Admin. Code § 1.502(c).
6. The Department may deny a license application or discipline a license holder if the Department determines the applicant or licensee has engaged in fraudulent or dishonest acts or practices or has been convicted of a felony. Tex. Ins. Code § 4005.101(b)(5), (8).
7. The Department may deny an application for licensure if the applicant has been convicted of an offense that directly relates to the duties and

responsibilities of the licensed occupation. 28 Tex. Admin. Code § 1.502(d)(1); Tex. Occ. Code § 53.021(a)(1).

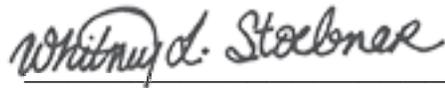
8. Each licensing authority shall issue guidelines relating to the practice of the licensing authority under chapter 53 of the Texas Occupations Code. The guidelines must state the reasons a particular crime is considered to relate to a particular license and any other criterion that affects the decisions of the licensing authority. Tex. Occ. Code § 53.025(a).
9. The Department has determined that certain crimes are of such a serious nature that they are of prime importance in determining fitness for licensure. These crimes include any offense for which fraud, dishonesty, or deceit is an essential element; any criminal violation pertaining to the financial industry or business of insurance under any state or federal law, including, in part, a fraud offense, as described by Texas Penal Code Chapter 32; any felony involving moral turpitude or breach of fiduciary duty; any criminal attempt or conspiracy to commit any offense listed under 28 Texas Administrative Code section 1.502 as described by Texas Penal Code sections 15.01 or 15.02; and any offense under state or federal law if the offense contains elements that are substantially similar to the elements of an offense listed under 28 Texas Administrative Code section 1.502. Tex. Occ. Code § 53.022; 28 Tex. Admin. Code § 1.502(f)(1), (2)(A), (3), (7), (8).
10. In determining whether to grant a license to an applicant with criminal convictions, the Department considers the factors provided by Texas Occupations Code sections 53.022 and .023. 28 Tex. Admin. Code § 1.502(e).
11. A person commits access device fraud by knowingly, and with intent to defraud, trafficking in or using one or more unauthorized access devices during any one-year period, and by such conduct obtaining anything of value aggregating \$1,000 or more during that period. 18 U.S.C. § 1029(a)(2).
12. A person commits bank fraud by knowingly executing, or attempting to execute, a scheme or artifice to defraud a financial institution or by obtaining any of the moneys, funds, credits, assets, securities, or other property owned by, or under the custody or control of, a financial institution, by means of false or fraudulent pretenses, representations, or promises. 18 U.S.C. § 1344.

13. A person commits the offense of conspiracy to commit an offense or to defraud the United States if two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy. 18 U.S.C. § 371.
14. The federal offenses of access device fraud, bank fraud, and conspiracy to commit these offenses are felonies involving fraudulent or dishonest acts or practices. 18 U.S.C. §§ 371, 1029(a)(2), (c), 1344, 3156(3); Tex. Ins. Code § 4005.101(b)(5), (8).
15. The federal offenses of access device fraud, bank fraud, and conspiracy to commit these offenses are directly related to the duties and responsibilities of a general lines agent. Tex. Occ. Code §§ 53.021(a)(1), .022, .025; 28 Tex. Admin. Code § 1.502(d)(1), (f)(1), (2)(A), (3), (7), (8).
16. A person who has been convicted of any criminal felony involving dishonesty or breach of trust must obtain the written consent of any insurance regulatory official authorized to regulate that person to engage in the business of insurance. 18 U.S.C. § 1033(e)(2).
17. The offenses of access device fraud, bank fraud, and conspiracy to commit these offenses are felonies involving dishonesty or a breach of trust. 18 U.S.C. § 1033(e)(2).
18. The preponderance of the evidence shows that Mr. Hudson is not currently fit to perform the duties and discharge the responsibilities of a licensed general lines agent. Tex. Occ. Code § 53.023.
19. The Department should deny Mr. Hudson's application for a general lines agent license.

20. The Department should not consent for Mr. Hudson to engage in the business of insurance under 18 U.S.C. section 1033(e).

Signed September 4, 2025.

ALJ Signature:

Handwritten signature of Whitney L. Stuebner in cursive script.

Whitney L. Stuebner
Presiding Administrative Law Judge