

No. 2026-9911

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

Date: 05/05/2026

Subject Considered:

Texas Department of Insurance

v.

Brenda Louise Demery

SOAH Docket No. 454-26-02371.C

General Remarks and Official Action Taken:

The subject of this order is Brenda Louise Demery's application for a general lines agent license with a life, accident, and health qualification. This order denies Ms. Demery's application.

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 Ms. Demery's application. A copy of the proposal for decision is attached as Exhibit A.

Error in Proposal for Decision

On page 6 of the proposal for decision there is an error in footnote 17. The footnote quotes Occupations Code § 53.023(a), stating, in part, "If a licensing authority determines under Section 53.002 that a criminal conviction directly relates to the duties and responsibilities of a licensed occupation . . ." (emphasis added). However, the reference to § 53.002 is incorrect; the statutory text has "under Section 53.022. . . ."—not "Section 53.002."

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This error is not repeated in a proposed finding of fact or conclusion of law, so no changes to the proposed findings or conclusions are necessary to address it, but it is noted here to clarify the correct statutory language.

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.

Order

It is ordered that Brenda Louise Demery's application for a general lines agent license with a life, accident, and health qualification is denied.

Signed by:
Amanda Crawford
FE10434BC41A470... _____
Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:

Signed by:
Jessica Barta
5DAC5618BBC74D4... _____
Jessica Barta, General Counsel

Signed by:
Justin Beam
27ADF3DA5BAF4B7... _____
Justin Beam, Chief Clerk

**BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

—
**TEXAS DEPARTMENT OF INSURANCE,
PETITIONER**

v.

**BRENDA LOUISE DEMERY
RESPONDENT**

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**BEFORE THE
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**TEXAS DEPARTMENT OF INSURANCE,
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v.

**BRENDA LOUISE DEMERY
RESPONDENT**

PROPOSAL FOR DECISION

The staff (Staff) of the Texas Department of Insurance (TDI) has proposed to deny an application for a general-lines-agent license made by Brenda Louise (“BB”¹) Demery. Ms. Demery requested a hearing, the matter was referred for that purpose to the State Office of Administrative Hearings (SOAH), and the hearing was held by the undersigned Administrative Law Judge (ALJ).

¹ See Staff Exhibit (Ex.) 2 at Bates 106 (resume).

Staff's asserted grounds for denial center on criminal history—including several prior convictions of Ms. Demery for theft or other crimes involving dishonesty—plus additional alleged dishonesty in the application process itself. Ms. Demery acknowledges a troubled and criminal past that she did not disclose initially in her license application. However, Ms. Demery insists that her criminal past is just that—past—and not reflective of the person she is today, has also been exaggerated in Staff's depiction of it, and that her initial failure to disclose it stemmed from a good-faith misunderstanding on her part and not any attempt to mislead TDI.

Ms. Demery struck the ALJ as quite earnest and impassioned in her desire to put her troubled past behind her. Indeed, Staff credits her with making “strides in her rehabilitation.”² But having heard the evidence and argument presented by both sides, examined under the governing legal standards, the ALJ ultimately recommends that the Commissioner of Insurance (TDI's final decisionmaker here) deny Ms. Demery's present application.

I. REGULATORY CONTEXT

A. INSURANCE CODE

Through the Texas Insurance Code, the Legislature delegated TDI powers and duties that include administering licensing requirements that are made a prerequisite to engaging in various defined categories of insurance-related activities

² Transcript (Tr.) 73-74.

in this State, including general-lines agents.³ To obtain this or other types of insurance-agent licenses, a person must submit to TDI a completed application whose contents are specified by TDI rule and include a complete set of fingerprints to be used in running criminal-background checks through the Texas Department of Public Safety and the Federal Bureau of Investigation.⁴

The Insurance Code further directs that TDI “shall” —*i.e.*, has a duty to⁵— “issue a license to an individual to engage in business as an agent,” including a general-lines agent, “if [TDI] determines that the individual . . . is at least 18 years of age”; has passed the required licensing examination; has submitted the application, fees, and other information TDI requires; and “has not committed an act for which a license may be denied under Subchapter C, Chapter 4005.”⁶ The latter prerequisite references Insurance Code Section 4005.101(b), which provides that TDI “may deny a license application” —*i.e.*, has discretion to do so⁷— “if [TDI] determines that” any of eleven different grounds exist. As pertinent here, denial is authorized if the applicant:

- “has intentionally made a material misstatement in the license application”;

³ See Tex. Ins. Code §§ 4001.001-.101.

⁴ See Tex. Ins. Code §§ 4001.101-.102; 28 Tex. Admin. Code §§ 1.501, .503-.504, .508-.509.

⁵ See Tex. Gov’t Code § 311.016(2) (Code Construction Act) (“shall” as used in codes generally “imposes a duty”).

⁶ Tex. Ins. Code § 4001.105.

⁷ See Tex. Gov’t Code § 311.016(1) (“may” as used in codes generally “creates discretionary authority or grants permission or a power”).

- “has . . . attempted to obtain a license by fraud or misrepresentation”;
- “has engaged in fraudulent or dishonest acts or practices”; and
- “has been convicted of a felony.”⁸

B. OCCUPATIONS CODE CHAPTER 53

However, TDI’s licensing discretion in regard to an applicant’s criminal history is also governed by Chapter 53 of the Texas Occupations Code.⁹ Chapter 53 emphasizes that “[i]t is the intent of the [L]egislature to enhance opportunities for a person to obtain gainful employment after a person has . . . been convicted of an offense; and . . . discharged the sentence for the offense.”¹⁰ To that end, Chapter 53 “shall be liberally construed.”¹¹

Chapter 53 generally requires a “licensing authority” (including TDI here), “[n]otwithstanding any other law,” to “issue to an otherwise qualified [license] applicant who has been convicted of an offense” either the license for which the

⁸ Tex. Ins. Code § 4005.101(b)(2), (3), (5), (8); *see* Staff Ex. 1 at 5-6 (Staff pleadings invoking each of these statutory grounds for denial).

⁹ And this includes the amendments recently made by the Eighty-Ninth Legislature’s Senate Bill No. 1080, to the extent those changes would be material. S.B. 1080 was given immediate effect upon passage by the Legislature (May 27, 2025), without any “grandfathering” of pending license applications. *See* Acts 2025, 89th Leg., R.S. Ch. 175 (S.B. 1080), § 5. Consequently, the amendments would govern TDI’s final order on Ms. Demery’s license application, and in turn the SOAH proceedings. Accordingly, the ensuing discussion cites the now-current version of Chapter 53, including any pertinent 2025 amendments.

¹⁰ Tex. Occ. Code § 53.003(a).

¹¹ Tex. Occ. Code § 53.003(b).

person applied or a twelve-month provisional license.¹² This requirement does not apply, however, if “the applicant has been convicted of an offense described by Section 53.021(a).”¹³ The referenced provision, Texas Occupations Code Section 53.021(a), states that a licensing authority “may” (again, has discretion to) disqualify a person from receiving a license on the ground that the person has been “convicted of” one of three specified categories of criminal offenses.¹⁴ These categories include, as pertinent here, “an offense that directly relates to the duties and responsibilities of the licensed occupation.”¹⁵

In turn, Texas Occupations Code Section 53.022 instructs that “[i]n determining whether a criminal conviction directly relates to the duties and responsibilities of a licensed occupation, the licensing authority shall consider each of the . . . factors” listed below:

- (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;

¹² Tex. Occ. Code § 53.0211. Certain agencies and licenses are exempted from this requirement, or from Chapter 53 altogether, but TDI and its insurance-agent licenses are not among these. *Id.* §§ 53.002, .0211(a).

¹³ Tex. Occ. Code § 53.0211(b).

¹⁴ Tex. Occ. Code § 53.021(a); *see also* Tex. Gov’t Code § 311.016.

¹⁵ Tex. Occ. Code § 53.021(a)(1); *see* Staff Ex. 1 at Bates 6 (Staff pleadings invoking Section 53.021(a) as a ground for denial).

- (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 elements of the crime and the duties and responsibilities of the licensed occupation.¹⁶

Assuming there is a “conviction” for an offense that “directly relates” to the duties and responsibilities of the licensed profession, thereby establishing the licensing authority’s discretion to deny a license application, the licensing authority is then required to consider the following additional factors in deciding whether or how to exercise that discretion.¹⁷ These factors, prescribed by Texas Occupations Code Section 53.023(a) (Section 53.023(a)), bear upon whether the applicant is presently fit for licensure notwithstanding any “directly related” convictions:

- (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;

¹⁶ Tex. Occ. Code § 53.022.

¹⁷ Tex. Occ. Code § 53.023(a) (“If a licensing authority determines under Section 53.002 that a criminal conviction directly relates to the duties and responsibilities of a licensed occupation, the licensing authority shall consider the following in determining whether to take an action authorized by Section 53.021”).

- (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.¹⁸

Of final note regarding Chapter 53 provisions, Section 53.025 requires each licensing authority to “issue guidelines relating to [its] practice . . . under this chapter.” Those 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.”¹⁹

C. TDI RULE 1.502

With the stated intent to “implement Chapter 53, Occupations Code, and sections and articles of the Insurance Code and Occupations Code that require and authorize [TDI] to determine a person’s fitness for holding a license . . . when that person has committed a criminal offense or has engaged in fraudulent or dishonest activity,” TDI has promulgated the rules codified as Subchapter D of Title 28, Texas Administrative Code, Chapter 1.²⁰ Those rules include 28 Texas Administrative Code Section 1.502 (Rule 1.502), which provides that TDI, “after notice and opportunity for hearing,” may deny a license application if it “determines that the applicant . . . has been convicted or placed on deferred adjudication” for any of the

¹⁸ Tex. Occ. Code § 53.023(a).

¹⁹ Tex. Occ. Code § 53.025(a).

²⁰ 28 Tex. Admin. Code § 1.501(a).

three categories of offenses listed in Texas Occupations Code Section 53.021(a), including “an offense that directly relates to the duties and responsibilities of the licensed occupation.”²¹ Rule 1.502 further directs that TDI “will consider the factors specified in Occupations Code § 53.022 and § 53.023” in its ultimate decision whether to deny an application on that basis.²²

Moreover, “[i]n accordance with the requirements of Texas Occupations Code § 53.025,” TDI has set forth “guidelines” that include, in Subpart (f) of Rule 1.502, a listing of “crimes that [TDI] considers to be of such serious nature that they are directly related to the duties and responsibilities of the licensed occupation” — *i.e.*, a ground for denial under Section 53.021(a) and Rule 1.502(d) — “or are of prime importance in determining fitness for licensure” — *i.e.*, considered significant in the Section 53.023(a) analysis.²³ Read in statutory context, this means that the listed crimes are deemed to be *both* “directly related” grounds for denial and “of prime importance” in the Section 53.023(a) fitness analysis.²⁴ These Subpart (f) “guideline

²¹ 28 Tex. Admin. Code § 1.502(d); *see* Staff Ex. 1 at Bates 6 (Staff pleadings invoking this portion of Rule 1.502(d) as a ground for denial).

²² 28 Tex. Admin. Code § 1.502(d)-(e).

²³ 28 Tex. Admin. Code § 1.502(f).

²⁴ The disjunctive “or” within Subpart (f) would typically signify two alternative categories, so as to cause (f) to mean that the listed offenses would be *either* a “directly related” ground for denial *or* “of prime importance in determining fitness for licensure (the Section 53.023(a) analysis), but without specifying into which of the two categories each particular offense fits. Nor is there any inherent identity between a “directly related” offense and one being “of prime importance” in the Section 53.023(a) fitness analysis; rather, these are distinct concepts, with the range of “directly related” offenses tending to be narrower and more specific than the range that might inform the broader fitness-for-licensure analysis. However, within the context of the statutory scheme in which Subpart (f) operates, particularly Texas Occupations Code Sections 53.021’s “directly related” standard and 53.023(a)’s broader analysis of fitness applicable once a “directly related” offense is proven, the ALJ has concluded that Subpart (f)’s “or” effectively functions as an “and,” with the resultant meaning that the listed offenses would each meet the “directly related” standard “or” “be of prime importance” in the Section 53.203(a) fitness analysis, *i.e.*, do both.

crimes” include, as pertinent here:

- “any offense for which fraud, dishonesty, or deceit is an essential element”;
- “any felony involving moral turpitude or breach of fiduciary duty”;
- “any offense with the essential elements of . . . a theft offense, as described by [Texas] Penal Code Chapter 31”; and
- “any offense under the laws of another state . . . if the offense contains elements that are substantially similar to the elements of an offense listed in [Subpart (f)].”²⁵

Crimes of “moral turpitude” would include those involving dishonesty, fraud, deceit, or otherwise reflecting adversely on an applicant’s honesty, trustworthiness, or fitness.²⁶ Theft, and theft by check in particular, are considered to be crimes of moral turpitude.²⁷

Rule 1.502 also states a more general policy concern that TDI “considers it very important that license . . . holders and applicants . . . be honest, trustworthy, and reliable,”²⁸ as “the special nature of the relationship between licensees . . . and

²⁵ 28 Tex. Admin. Code § 1.502(f)(1), (3), (4)(K), (8); see Staff Ex. 1 at Bates 6-7 (Staff pleadings invoking these grounds for denial).

²⁶ See *Duncan v. Bd. of Disc. Appeals*, 898 S.W.2d 759, 761 (Tex. 1995); *Brown v. Tex. Dep’t of Ins.*, 34 S.W.3d 683, 690 (Tex. App.—Austin 2000, no. pet.).

²⁷ See *Milligan v. State*, 554 S.W.2d 192, 196 (Tex. Crim. App. 1977); *Brown*, 34 S.W.3d at 690.

²⁸ 28 Tex. Admin. Code § 1.502(c).

the public with respect to insurance and related businesses regulated by [TDI] requires that the public trust and rely upon licensees because of the complex and varied nature of insurance, insurance related-products, and discount health programs.”²⁹ While not in itself a ground for denying an application, this policy statement indicates that an applicant’s honesty, trustworthiness, and reliability should be a primary focus of the “fitness” for licensure being examined in the Section 53.023(a) analysis, if reached based on criminal history that is a ground for denial. It follows that crimes or misconduct reflecting negatively on those traits should be weighed against them in that analysis,³⁰ although the other factors must also be considered and the fitness determination made from the whole.

D. HEARING

Where, as here, Staff determines to deny a license application, the applicant is entitled to a hearing governed by the contested-case procedures of the Administrative Procedure Act, and conducted by a SOAH ALJ, prior to final action by the Insurance Commissioner.³¹ Staff bears the burden of proving grounds that would establish the Commissioner’s discretion to deny the application,³² although

²⁹ 28 Tex. Admin. Code § 1.502(a). Staff also pleaded that Ms. Demery has been convicted of a “criminal felony involving dishonesty and breach of trust,” so as to be prohibited by federal law from engaging in the insurance business without the Insurance Commissioner’s consent. Staff Ex. 1 at Bates 7; *see* 18 U.S.C. § 1033(e)(1)(A), (2). Staff did not develop this theory further as an additional or independent ground for denying Ms. Demery’s application, so the ALJ does not address it.

³⁰ Such crimes or misconduct would go most directly to “the conduct . . . of the person before and after the criminal activity” or “other evidence of the person’s fitness.” *See* Tex. Occ. Code § 53.023(a)(4), (7).

³¹ Tex. Ins. Code § 4005.104; *see id.* §§ 40.001-.005.

³² 1 Tex. Admin. Code § 155.427; *see* Tex. Occ. Code §§ 53.021(a), (c)-(d); .0211(b).

the applicant would bear the burden of proving his or her fitness for licensure under the Section 53.023(a) analysis, were it reached.³³ The standard of proof is by a preponderance of the evidence.³⁴

II. NOTICE, JURISDICTION, AND PROCEDURAL HISTORY

Jurisdiction and notice were not contested, so will be addressed principally in the Findings of Fact and Conclusions of Law, below.

Procedurally, this matter arises from an application for licensure as a general-lines agent with life, accident, and health authority that Ms. Demery submitted to TDI on April 18, 2025.³⁵ By letter dated July 11, 2025, TDI Staff—more specifically, the Director of the agency’s Agent and Adjustor Licensing Office—notified Ms. Demery that Staff was proposing to deny her application. As Staff’s reason for the intended denial, the letter stated, “because you [Ms. Demery] may have committed an act for which we can deny your license (Texas Insurance Code (TIC) 4005.101).”³⁶ On July 14, 2025, Ms. Demery requested a hearing on her license

³³ See Tex. Occ. Code §§ 53.023(b), .0231(b)(2)(B).

³⁴ See *Granek v. Tex. State Bd. of Med. Exam’rs*, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.); *Sw. Pub. Serv. Co. v. Pub. Util. Comm’n of Tex.*, 962 S.W.2d 207, 213-14 (Tex. App.—Austin 1998, pet. denied).

³⁵ See Staff Ex. 2 at Bates 13; see also *id.* at Bates 39.

³⁶ Staff Ex. 2 at Bates 39; compare Tex. Occ. Code § 53.0231(a)(1).

application.³⁷ Staff acknowledged receipt and transferred the case internally to TDI's Enforcement section.³⁸ Staff referred the case to SOAH on October 2, 2025.³⁹

Following referral, the hearing on the merits was scheduled for and held on January 7, 2026, via Zoom videoconferencing, before SOAH ALJ Robert Pemberton. Staff appeared and was represented by TDI Enforcement attorney Whitney Ellis Fraser. Ms. Demery appeared and represented herself. The proceedings were recorded stenographically by Dana Richardson, RPR and CSR, who prepared a transcript.

At the conclusion of proceedings on January 7, the ALJ held the record pending the preparation and filing of the transcript. The record closed on January 20, 2026, the date the transcript was filed.

III. STAFF'S CASE

In its direct case, Staff offered and the ALJ admitted two exhibits: (1) Staff's notice of hearing with live complaint and scheduling order (Staff Exhibit 1); and (2) what is certified to be "a complete copy of the AGENT AND ADJUSTER LICENSE APPLICATION FILE FOR BRENDA LOUISE DEMERY" compiled and maintained by TDI's Agent and Adjuster Licensing Office (Staff Exhibit 2).⁴⁰

³⁷ Staff Ex. 2 at Bates 36.

³⁸ Staff Ex. 2 at Bates 35.

³⁹ Request for Docket form (Oct. 2, 2025).

⁴⁰ Tr. 9-10.

Staff also presented the live testimony of a single witness, Lewis Weldon Wright, IV. Staff did not present a rebuttal case.

Mr. Wright stated that he is a longtime TDI employee and insurance-industry professional who presently serves as the liaison between the agency's "Administrative Review" program and its Enforcement division (basically, an interface or contact point between the Agent and Adjuster Licensing staffers who scrutinize applications flagged for potential causes for denial, such as criminal history, and the in-house lawyers consulted on those matters).⁴¹ Although not claiming any contemporaneous personal involvement in the decision to propose denial of Ms. Demery's application, Mr. Wright attested that he had reviewed her application file and offered observations and opinions about various contents, including presenting Staff's position as to why her application should be denied.

The basic gist of Mr. Wright's testimony was that: (1) Ms. Demery has an extensive criminal history, including eight convictions for theft and other dishonest conduct, quintessentially the types of offenses that are "directly related" to the duties and responsibilities of insurance agents and of "prime importance" in weighing against any present fitness for licensure; (2) Ms. Demery did not present mitigating circumstances or otherwise demonstrate that, despite her criminal history, she is presently honest, trustworthy, reliable, and otherwise fit to be entrusted with the duties of a licensed insurance agent; and, (3) on the contrary,

⁴¹ Tr. 14-17.

Ms. Demery committed additional dishonesty in the application process by trying to conceal her criminal history.

A. CRIMINAL HISTORY

Staff's evidence of Ms. Demery's criminal history centered principally on certified copies of court records that were apparently obtained and provided to TDI by Ms. Demery herself at Staff's request or direction.⁴² Staff also elicited a succession of written statements from Ms. Demery concerning the underlying events. The following summary is based principally on the information contained in the court records, with the caveat that some of the referenced dates and sequencing are confusing and suggestive of potential incompleteness or inaccuracy. When helpful for context and not inconsistent with the court records, the ALJ has also added some details taken from Ms. Demery's statements.

1993 Theft in Caddo Parish, Louisiana (Case No. 168131). In December 1993, in Caddo Parish, Louisiana (the Shreveport area), Ms. Demery (then identified as "Brenda Louise Walker") was arrested on charges of "felony theft" under the laws of that State for allegedly stealing property exceeding \$500 in value from a County Seat store.⁴³ On June 13, 1994, Ms. Demery pleaded guilty to the charge. The court sentenced her to five years' hard labor in the Louisiana Department of Corrections but suspended that sentence and placed her on five years' "supervised probation."

⁴² See Staff Ex. 2 at Bates 43-82, 85, 90-105.

⁴³ The charging instrument alleged that the property stolen was money, although Ms. Demery recounted in a statement that she was "shoplifting" "clothes." See Staff Ex. 2 at Bates 44, 100.

Ms. Demery was also ordered to pay court costs or else serve thirty days in Parish jail.⁴⁴

In his testimony, Mr. Wright asserted that Ms. Demery had been 23 years of age when she committed this offense and that it was her only offense that could be characterized as a “youthful indiscretion[.]” But, he added, Ms. Demery’s more recent offenses had continued into her mid-forties and reflected “a conscious decision to commit acts of a criminal nature in order to benefit personally.”⁴⁵

Two 2001 Theft Offenses in Caddo Parish (Case Nos. 22701 and 22702). In 2002, Ms. Demery (still under the Walker surname) was charged with two more Louisiana “felony theft” offenses, each involving property allegedly exceeding \$1,000 in value. The first (Case No. 22701) was allegedly committed between January 4 and 15, 2001, and entailed Ms. Demery taking monies from SB Magazine “by fraudulent means, practices, and conveyances.” As Ms. Demery later wrote about her underlying acts, “I stole the money from SB Magazine. I did not turn it in. I gambled it [a]way at Isle [C]apri casino.” The second (Case No. 22702), allegedly committed between July 5 and December 11, 2001, entailed Ms. Demery and an accomplice taking property (“a [m]etal fence,” according to Ms. Demery) from Triple LLL Management “by fraudulent means, practices, and conveyances.”⁴⁶

⁴⁴ Staff Ex. 2 at Bates 43-44, 110.

⁴⁵ Tr. 23, 28-29.

⁴⁶ Staff Ex. 2 at Bates 45, 48, 107.

On September 29, 2005, Ms. Demery pleaded guilty to each of these two charges, with sentencing deferred pending a pre-sentencing investigation. Sentencing ultimately took place on August 11, 2006. In Case No. 22701 (the SB Magazine monies), the court sentenced Ms. Demery to four years' hard labor in the Louisiana Department of Corrections but suspended all but two years of that sentence and placed her on "supervised probation" for two years, to run concurrently "with any other sentence" and with credit for time served. In Case No. 22702 (the metal fence), the court sentenced Ms. Demery to eight years' hard labor in the Louisiana Department of Corrections but suspended all but two years of that sentence and placed her on "supervised probation" for five years, to run concurrently "with any other sentence" and with credit for time served.⁴⁷

2004 Theft Offense in Red River Parish, Louisiana (Case No. 100366). In 2005, in Red River Parish (southeast of Shreveport; Coshatta is the parish seat), Ms. Demery (now identified as "Brenda Demery Caldwell") was charged with another theft over \$500. This theft was allegedly committed between September 1 and October 15, 2004, and entailed Ms. Demery "accepting numerous utility payments from customers of Cleco, BellSouth, Aep-Swepco, Atmos Energy, Valley Electric and Alltel, and failing to remit the payments to the respective utility providers."⁴⁸ According to a statement Ms. Demery provided, she had been performing work for a landlord in lieu of making rent payments, they had a falling out, and soon thereafter she was accused by "several ladies" who "said I stole

⁴⁷ Staff Ex. 2 at Bates 45-46, 48-49.

⁴⁸ Staff Ex. 2 at Bates 51.

money from them.”⁴⁹ Although terming this allegation “a complete lie,”⁵⁰ Ms. Demery pleaded guilty to the charge, apparently sometime in 2006, per the courts records.⁵¹ However, sentencing would not occur until several years later.

Out of what she professed to be “shame and fear,” Ms. Demery acknowledged that she “ran” —even leaving her “new husband,” she stated—and fled with her children to Texas. As she put it, “I was considered absconded by the [S]tate of Louisiana.” According to Ms. Demery, she did not return until “about 2010,” when further offenses in Texas (discussed next) caused her to be “taken back to Louisiana to face the music of all the old charges in Caddo and in Red River.”⁵²

Three Texas Theft Offenses Between 2008-10. Ms. Demery’s time in Texas gave rise to three additional theft convictions—all of which, according to Ms. Demery, involved her misuse of checks.⁵³ In Collin County Case No. 416-80710-09, Ms. Demery (now identified as “Brenda Demery Ball”) was indicted for the offense of theft between \$1,500 and \$20,000 allegedly committed on or about April 4 through 25, 2008, against a victim named Jack Gross. She would eventually plead guilty in April 2013 to the state-jail-felony offense of theft of property of less than

⁴⁹ Staff Ex. 2 at Bates 107.

⁵⁰ Staff Ex. 2 at Bates 107.

⁵¹ Staff Ex. 2 at Bates 52.

⁵² Staff Ex. 2 at Bates 107.

⁵³ Staff Ex. 2 at Bates 102, 107.

\$1,500 with two or more prior convictions, was convicted of that offense, and was sentenced to 180 days in state jail with back-time credit and \$360 in court costs.⁵⁴

The other two Texas thefts were in Dallas County. In Case No. F-0935330, Ms. Demery (Ball) was indicted for theft of property having an aggregate value between \$1,500 and \$20,000, allegedly committed on or about between January 1-14, 2009, against the property owner Eagle Crest Apartments. In Case No. F-1131287, Ms. Demery (Ball) was indicted for the same offense allegedly committed on or about between June 18 and December 5, 2010, against the property owner National Church Residences. Eventually, on January 5, 2016, the two cases were jointly disposed of through a plea-bargained plea of guilty to Class A misdemeanor theft in each case. She was convicted of each of these misdemeanor theft offenses (for a total of two) and given concurrent sentences of twelve days in county jail.⁵⁵

Further Proceedings in Caddo Parish Case Nos. 22701 and 22702 and Red River Parish Case No. 100366. On May 4, 2011, the Caddo Parish trial court revoked Ms. Demery's probation in Case Nos. 220701 and 220702 and imposed the original sentences of four and eight years' hard labor, respectively, both to run concurrently, and both with credit for time served.⁵⁶ Additional documentation states that

⁵⁴ Staff Ex. 2 at Bates 54-56.

⁵⁵ Staff Ex. 2 at Bates 57-58, 59-63.

⁵⁶ Staff Ex. 2 at Bates 46, 49.

Ms. Demery eventually completed her hard-labor custody requirement for No. 220702 and was released from same effective December 6, 2018.⁵⁷

In the Red River Parish case (the one in which Ms. Demery had absconded during pendency), the trial court proceeded to sentencing in what appears to be March 2012. The court sentenced Ms. Demery to eight years' hard labor in the Louisiana Department of Corrections, suspended five years of that sentence, and imposed five years' "supervised probation" to commence upon her release from incarceration. The court further ordered that Ms. Demery's sentence would run concurrently with any prior sentence and, as a special condition of probation, that Ms. Demery pay "restitution to the victim(s) in the amount of \$6,208.69."⁵⁸ Additional documentation reflects that Ms. Demery discharged this sentence effective September 22, 2015, and received an "automatic first offender pardon" on October 15, 2015.⁵⁹

2014 Bank Fraud in Caddo Parish (Case No. 321952). Meanwhile, in December 2014, Ms. Demery (still under the Ball surname) pleaded guilty to a charge of "bank fraud" in Caddo Parish, an offense she was alleged to have committed on or about February 21, 2014 (and apparently not during any period of

⁵⁷ Staff Ex. 2 at Bates 47.

⁵⁸ Staff Ex. 2 at Bates 53.

⁵⁹ Staff Ex. 2 at Bates 50. Staff has pleaded that this first-offender pardon instead applied to Caddo Parish Case No. 168131, the 1993 theft charge to which Ms. Demery pleaded guilty in 1994. Staff Ex. 1 at Bates 2. While this would perhaps make more sense temporally, the court papers in evidence reflect the facts as stated above.

confinement in the Louisiana Department of Corrections).⁶⁰ According to a statement from Ms. Demery, this was another matter involving checks, one paid to a landscaping company,⁶¹ though in testimony she would allude to writing a check to herself on a closed account.⁶² The court sentenced Ms. Demery to seven years' hard labor in the Louisiana Department of Corrections, to run concurrently with any prior sentence and with credit for time served.⁶³ Further documentation reflects that on May 16, 2019, Ms. Demery was "released by diminution of sentence . . . in the same manner as if on parole," conditioned on her compliance with terms and conditions, until March 10, 2021.⁶⁴

2017 Bossier Parish Cases. Somewhat at odds with the timing suggested by the court papers previously summarized, it seems that Ms. Demery had been released from incarceration, apparently under some sort of probation or parole related to preceding offenses, so as to be charged in Bossier Parish (east of Caddo Parish and where Bossier City is located) with multiple offenses allegedly committed in August and September 2017—namely, racketeering (Case No. 225551); eleven counts of theft of \$25,000 or more (Case No. 225551A); and two counts of forgery (Case No. 22555D).⁶⁵ The charges (now identifying her as "Brenda Louise Hills")

⁶⁰ Staff Ex. 2 at Bates 64-66.

⁶¹ Staff Ex. 2 at Bates 108. She admitted, "I did write that check." *Id.*

⁶² Tr. 44.

⁶³ Staff Ex. 2 at Bates 64-66.

⁶⁴ Staff Ex. 2 at Bates 68.

⁶⁵ Staff Ex. 2 at Bates 69-71.

evidently arose from Ms. Demery’s work in a nonprofit organization she had founded, known as “Women of Diversity Ministries,” and accused her, along with her husband at the time, of misappropriating grant monies that had been intended to aid a several-dozen-resident rehabilitation center the ministry had been operating. In addition to generating considerable and quite negative news coverage about her and her organization, Ms. Demery recounted, she ended up being held in the Parish jail while the charges remained pending—until mid-2019, when she accepted a plea deal.⁶⁶

According to the court records, on July 15, 2019, Ms. Demery pleaded guilty only to the first theft count in No. 225551A; the remaining ten theft counts were dismissed (and Ms. Demery asserts that the same occurred with the forgery and racketeering charges as well,⁶⁷ although the court records in evidence do not reflect any disposition of these). She was sentenced to twenty years’ hard labor in the Louisiana Department of Corrections, but with all but two years suspended and credit for time served (which apparently resulted in her immediate release),⁶⁸ followed by three years of supervised probation. Ms. Demery was also ordered to pay a \$2,500 fine, to forfeit money and a Dodge van that had been seized previously, and to pay restitution in an amount to be set subsequently.⁶⁹ Thereafter, at a restitution hearing held on August 20, 2019, the court ordered Ms. Demery to pay, through the

⁶⁶ Staff Ex. 2 at Bates 108.

⁶⁷ Staff Ex. 2 at Bates 93.

⁶⁸ Staff Ex. 2 at Bates 108.

⁶⁹ Staff Ex. 2 at Bates 78-79.

District Attorney’s office, \$50,000 to one victim, \$20,000 to another victim, a total of \$10,500 in administration fees, plus another \$80,500 in restitution with her co-defendant.⁷⁰

At a subsequent court session held on December 17, 2019, the records reflect, an attorney, “Mr. Ed Mouton appear[ed,] on behalf of victim and state[d] that the claim of restitution is withdrawn on his clients[’] behalf.”⁷¹ Thereafter, on July 7, 2022, the court found that restitution “is paid in full” and “[p]robation is terminated satisfactorily.”⁷² That date, Mr. Wright acknowledged, represented the conclusion of Ms. Demery’s last remaining probation or sentence,⁷³ and this is Ms. Demery’s contention also.⁷⁴

B. NONDISCLOSURE

In a feature of Staff’s evidence not always seen in TDI’s cases at SOAH, what is certified to be “a complete copy” of Ms. Demery’s license application file (Staff Ex. 2) actually included a copy of the license application Ms. Demery submitted to TDI, both questions and answers.⁷⁵ It reflects that Ms. Demery was asked the following questions about criminal history:

⁷⁰ Staff Ex. 2 at Bates 77.

⁷¹ Staff Ex. 2 at 76.

⁷² Staff Ex. 2 at Bates 75.

⁷³ Tr. 26, 28.

⁷⁴ Staff Ex. 2 at Bates 90.

⁷⁵ Staff Ex. 2 at Bates 113-17.

1A Have you ever been convicted of a misdemeanor, had a judgment withheld or deferred, or are you currently charged with committing a misdemeanor?

...

1B Have you ever been convicted of a felony, had a judgment withheld or deferred, or are you currently charged with committing a felony?⁷⁶

The application instructed that “convicted” as used in these questions “includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere or no contest, or having been given probation, a suspended sentence, or a fine.”⁷⁷ Further, in the event of a “yes” answer to either question, the application required Ms. Demery to provide “a written statement explaining the circumstances of each incident,” “a copy of the charging instrument,” and “a copy of the official document, which demonstrates the resolution of the charges or any final judgment.”⁷⁸

Both questions 1A and 1B instructed that Ms. Demery could exclude from her answer “juvenile adjudications,” defined as “offenses where you were adjudicated delinquent in a juvenile court.”⁷⁹ She was also allowed to exclude from her response to 1A misdemeanor “traffic citations, driving under the influence (DUI), driving

⁷⁶ Staff Ex. 2 at Bates 115.

⁷⁷ Staff Ex. 2 at Bates 115.

⁷⁸ Staff Ex. 2 at Bates 115.

⁷⁹ Staff Ex. 2 at Bates 115.

while intoxicated (DWI), driving without a license, or driving with a suspended or revoked license.”⁸⁰ But aside from these, the application made no references to any exceptions or exclusions from the “convictions” or offenses that would be responsive to questions 1A or 1B. On the contrary, the application included a concluding “Attestation” whereby Ms. Demery agreed to the following, among other terms that she was instructed to “read . . . very carefully”:

I hereby certify that, under penalty of perjury, all of the information submitted in this application is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties.⁸¹

In response to both question 1A and question 1B, Ms. Demery answered “No.”⁸² She also agreed to the Attestation, certifying “under penalty of perjury” that these “No” answers (and all others she gave) were “true and correct.”⁸³ Suffice it to say that Staff perceives Ms. Demery’s “No” answers to be rather difficult to reconcile with the criminal history described in the preceding subsection.

During his testimony, Mr. Wright stated that Staff had quickly noticed a discrepancy between Ms. Demery’s application answers denying any criminal

⁸⁰ Staff Ex. 2 at Bates 115.

⁸¹ Staff Ex. 2 at Bates 116.

⁸² Staff Ex. 2 at Bates 115.

⁸³ Staff Ex. 2 at Bates 116-17.

history and the results of the criminal background check it had run on her; in fact, he noted, this perceived falsehood and the underlying criminal history itself were what prompted Staff to refer her application to Administrative Review for further scrutiny.⁸⁴ By letter of April 22, 2025, Staff informed Ms. Demery that “it looks like you may have a criminal history that you didn’t tell us about.” The letter instructed Ms. Demery to provide a range of documents regarding that criminal history, including “[a] detailed statement from you describing what led to the offenses,” “your age at the time of the offenses,” and “the reason why you didn’t tell us about your criminal history on your application.” The letter also called for “[e]vidence of your rehabilitation or rehabilitative effort”; letters of recommendation from non-family members; and proof of steady employment.⁸⁵

Ms. Demery’s responses (which would entail several back-and-forth rounds of communications between her and TDI personnel over several weeks) would ultimately include court records discussed previously; the various statements and explanations by Ms. Demery concerning her offenses, some of which have been referenced; and other documents she perceived to reflect her rehabilitation and fitness, which will be addressed in the context of her case. But notable in regard to the nondisclosure issue are Ms. Demery’s earliest writings to Staff.

⁸⁴ Tr. 19-20.

⁸⁵ Staff Ex. 2 at Bates 85-86.

In the first post-application communication included in the file, a letter dated April 26, 2025, with the subject line of “Rehabilitation and Statement of Explanation—Past Incident,” Ms. Demery professes:

with great humility and sincerity to provide background and context regarding a past mistake in my life—around about 2008-2009 my life was spiral[ling] of control. I was arrested for offenses of theft by check in an amount over \$1,500 but under \$25,000.⁸⁶

The timing and nature of these “offenses of theft by check” correspond to the three offenses Ms. Demery committed in Texas, and subsequent emails confirm that these were the offenses to which she was referring.⁸⁷

As for why she had failed to disclose these now-acknowledged “offenses of theft by check” in her license application, Ms. Demery wrote the following:

I would also like to sincerely apologize for a misunderstanding regarding disclosure requirements. I was misinformed or misunderstood that if a conviction was over ten years old, it did not need to be reported. I now fully understand that complete transparency is required at all times, regardless of how much time has passed. I am truly sorry for this error, and it was never my intention to withhold any information or mislead [TDI] in any way.⁸⁸

⁸⁶ Staff Ex. 2 at Bates 111.

⁸⁷ Staff Ex. 2 at Bates 103-04.

⁸⁸ Staff Ex. 2 at Bates 111.

In a subsequent email dated May 1, 2025, Ms. Demery urged Staff to “take into account that the check-related offenses occurred over a decade ago,” that she had since “made significant changes in [her] life,” and professed that, “I have not, and will not, engage in such behavior again in any capacity.”⁸⁹

IV. MS. DEMERY’S CASE

Ms. Demery, who now resides in the Dallas area, offered a single exhibit, a document titled “Respondent’s Brief in Opposition to License Denial.” While indeed consisting of briefing and argument rather than proof of underlying facts, Staff did not object to its admission, so the ALJ admitted it into evidence.⁹⁰ The ALJ has also considered, to the extent potentially mitigating or otherwise favorable to Ms. Demery, documents she provided to Staff that were admitted as part of Staff Exhibit 2. Ms. Demery also testified in her own behalf.

In both her live testimony and various of her writings, Ms. Demery described her pursuit of a general-lines-agent-license in terms of a broader context of personal transformation and professional growth in which she has also striven to assist others on similar journeys. Ms. Demery spoke of a “past” plagued by trauma, bad influences, addiction to gambling and apparently drugs, financial strain, harmful and abusive relationships with men mired in similar struggles, and “poor decisions” leading to her incarceration. However, Ms. Demery emphasized that she was not

⁸⁹ Staff Ex. 2 at Bates 104.

⁹⁰ The document is identified in the record as “Respondent Exhibit 1” (Demery Ex. 1).

blaming her “mistakes” on these challenges but takes personal responsibility and ownership of them.

Yet Ms. Demery also insisted that Staff and the underlying court papers on which it relied were inaccurate in exaggerating the extent and nature of her criminal history. Through some clarifying questioning by the ALJ, it became apparent that some of the divergence stemmed from an understanding or assumption of Ms. Demery that multiple criminal charges to which she had pleaded guilty in a single or related court proceeding represented only one “conviction.” By this method of counting, Ms. Demery maintained that she had only three “convictions” in Louisiana—(1) in Caddo Parish Case No. 168131; (2) a single “conviction” in Caddo Parish Case Nos. 22701 and 22702 and Red River Parish Case No. 100366; and apparently (3) the more recent “conviction” for bank fraud in Caddo Parish—plus a single “conviction” for the three Texas charges.⁹¹

As for the 2017 Bossier Parish charges that were eventually resolved through a 2019 guilty plea to theft, it seemed that Ms. Demery did not “count” this one because, she insisted, she had been wrongfully accused by a facility resident angered at being kicked out for possessing drugs and pleaded guilty despite being innocent only so she could get out of jail without languishing for additional months until trial. Ms. Demery further claimed that the charges stemmed from an underlying misunderstanding that her organization had received grant monies when it had instead been loaned money, that this loan was the “restitution” she had fully repaid,

⁹¹ Tr. 42, 44, 62-64.

and that the local prosecutor was even assisting her presently in obtaining clemency for the offense.⁹²

Ms. Demery also urged repeatedly that her criminal activity had ended fifteen years earlier (*i.e.*, around 2010 or 2011), and additionally asserted at one point that her “bank fraud,” her “last crime,” occurred “over 20-something years ago.”⁹³ She similarly claimed that her criminal activity had been confined to her twenties and thirties, not continued into her forties, and that she is currently 55 years of age.⁹⁴ While this testimony was at odds with the timing described even in her own written statements,⁹⁵ it seemed that Ms. Demery’s larger intended point was to claim that she had made a turn for the better circa 2010 or 2011. She spoke, tearfully at times, of finding her footing, self-worth, “clemency,” and renewal in Jesus Christ, and with this freedom “not just from jail” but also from “drugs,” “lies,” and her “past.”⁹⁶

Ms. Demery pleaded that “merely because a person has made a mistake in the past in choosing to do things wrong . . . does not determine what we will be and what we will do in the future,” that because “I lied once doesn’t mean I’m a liar and I’ll continuously lie,” or would ever steal again. She professed to be “rehabilitated,” and suggested that Staff was seeking to unjustly and unlawfully punish her for past

⁹² Tr. 42-43, 48, 56-58, 65-71.

⁹³ Tr. 44, 46, 50-52, 55, 58-59.

⁹⁴ Tr. 50-51.

⁹⁵ Compare Staff Ex. 2 at Bates 93-94, 108.

⁹⁶ Tr. 52-53.

acts for which she already paid her debt to society in the criminal justice system. Ms. Demery further testified that she works in fiduciary roles today, including accounting, bookkeeping, and tax preparation; has been issued a “business license” from Collin County “because I follow the rules”; and also holds a paralegal license. Ms. Demery also emphasized that she is an ordained minister who works to encourage women with backgrounds like hers that they too can change, “that your past doesn’t define you, but who you are in Christ defines you.”⁹⁷ She provided Staff three recommendation letters to the same basic effect.⁹⁸ Ms. Demery added that she was seeking an insurance-agent license because she “believe[d] in” life insurance as a means of enabling the women she assists to provide benefits for their families.⁹⁹

Regarding the content in her license application, Ms. Demery seemed to indicate that her professed misunderstanding that she was not required to disclose convictions more than ten years old came from a Kaplan course she took to prepare for the TDI licensing exam.¹⁰⁰ She denied any intend to “defraud” TDI, insisting that she never would have provided her fingerprints for use in a background check “[i]f I was intending to do something wrong.”¹⁰¹

⁹⁷ Tr. 44-52; *see also* Staff Ex. 2 at Bates 106 (resume); Demery Ex. 1.

⁹⁸ Staff Ex. 2 at Bates 87-89.

⁹⁹ Tr. 49.

¹⁰⁰ Tr. 47.

¹⁰¹ Tr. 47.

V. ANALYSIS

However one “counts” them, there was no material dispute that Ms. Demery has been convicted of multiple offenses that are “directly related” and “of prime importance” in TDI’s licensing process—thefts and bank fraud, principally involving misuse of checks, acts that raise core concerns about an applicant’s fitness to be entrusted with an insurance license and any propensity to misuse one. Consequently, Staff met its burden to prove criminal history for which TDI has discretion to deny Ms. Demery’s application, shifting the burden to Ms. Demery to prove that she is fit to be licensed despite that criminal history. And a key focus in that inquiry, again, is Ms. Demery’s honesty, trustworthiness, and reliability.

Within that legal framework, Ms. Demery did herself no favors in answering “No” to the two application questions that in clear, unequivocal, and plain English required her to disclose any criminal history she had. In terms of the questions being asked, Ms. Demery denied that she had “*ever* been convicted”—*i.e.*, *ever* “been found guilty by verdict of a judge or jury,” *ever* “entered a plea of guilty or nolo contendere or no contest,” *or ever* “been given probation, a suspended sentence, or a fine”—for *any* felony or misdemeanor. And she also certified, “under penalty of perjury,” that these answers were “true and complete.” Obviously they were not.

But making matters worse, Ms. Demery in her letter of April 26, 2025—though professing a newfound “understand[ing] that complete transparency is required at all times, regardless of how much time has passed,” that she was “truly sorry for this error” in her supposed misunderstanding about a ten-year limitation,

and that it “never [her] intention to withhold any information or mislead [TDI] in any way”—acknowledged only her Texas offenses, not the several she had committed back in Louisiana. The same was true of Ms. Demery’s email on May 1, 2025, urging Staff to “take into account that the check-related offenses occurred over a decade ago,” that she had since “made significant changes in [her] life,” and professed that, “I have not, and will not, engage in such behavior again in any capacity.”¹⁰² Contrary to her assertion there, she *had* “engage[d] in such behavior again”—the 2014 Caddo Parish bank fraud she later admitted, not to mention the 2017 Bossier Parish theft to which pleaded guilty in 2019 though denies actually committing. In fact, even under Ms. Demery’s supposed initial misunderstanding about a ten-year limitation, her failure to disclose the 2019 guilty plea and conviction in Bossier Parish was an intentional falsehood, as these events occurred only about six years before she made her April 2025 license application.¹⁰³

Ms. Demery’s application file further reflects that her first acknowledgements of her Louisiana offenses came only after emails from Staff informing her that the background checks TDI used “includes all states,” not just Texas,¹⁰⁴ and inquiring about specific Louisiana offenses that had shown up on that background check.¹⁰⁵ One can only conclude that Ms. Demery had persisted in attempting to conceal her

¹⁰² Staff Ex. 2 at Bates 104.

¹⁰³ For that matter, Ms. Demery’s supposed misunderstanding about a ten-year range would also not explain even her failure to disclose the two Dallas County thefts in her application, as her guilty pleas and convictions for those occurred in 2016, less than ten years beforehand. However, the offenses themselves were committed several years earlier, beyond the purported ten-year range, circumstances perhaps consistent with potential confusion about the timing.

¹⁰⁴ Staff Ex. 2 at Bates 103 (May 2, 2025, email from Staff).

¹⁰⁵ Staff Ex. 2 at 101 (May 6, 2025, email from Staff).

Louisiana offenses under an incorrect assumption that only the Texas offenses had been found out.

The ALJ takes no pleasure in writing any of this. Rather, this is a very sad case. Ms. Demery struck the ALJ as very earnest, sincere, and impassioned in her desire to rise above a troubled past, a past that seemed torturing to her in terms of both regrets and the roadblocks it continues to cause (as here). And as Staff acknowledged, Ms. Demery appears to have made strides in rehabilitating herself. But the ALJ cannot find on this record, at this time, that Ms. Demery proved that she is fit to be licensed as da Texas insurance agent. Accordingly, the ALJ recommends that the Insurance Commission deny Ms. Demery’s present application.

In further support of this recommendation, the ALJ has prepared the following findings of fact and conclusions of law.

VI. FINDINGS OF FACT

1. On April 18, 2025, Brenda Louise (“BB”) Demery applied to the Texas Department of Insurance (TDI) for a general-lines-agent license with life, accident, and health authority.
2. By letter dated July 11, 2025, TDI staff (Staff)—more specifically, the Director of TDI’s Agent and Adjuster Licensing Officer—proposed to deny Ms. Demery’s application, stating that she “may have committed an act for which we can deny your license (Texas Insurance Code (TIC) 4005.101)” and notified her of her right to a hearing before the State Office of Administrative Hearings (SOAH).

3. On July 14, 2025, Ms. Demery timely requested a hearing on her license application.
4. Staff referred the matter to SOAH for hearing on October 2, 2025.
5. On October 6, 2026, 2025, Staff issued a notice of hearing to Ms. Demery. The notice attached and incorporated by reference an Original Petition setting forth its allegations in this case and also attached an Order Scheduling Hearing on the Merits prescribing that the hearing would be conducted by Zoom and providing access information.
6. On December 15, 2025, Staff filed a First Amended Petition.
7. The notice of hearing, petition, and Order Setting 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 particular sections of the statutes and rules involved; and the factual matters asserted.
8. The hearing was held via Zoom videoconferencing before SOAH Administrative Law Judge (ALJ) Robert Pemberton. Staff appeared and was represented by TDI Enforcement attorney Whitney Ellis Fraser. Ms. Demery appeared and represented herself. The hearing convened on January 7, 2026, and concluded that same day. The record was held open to allow for the preparation and filing of the hearing transcript and closed on the date that transcript was filed, January 20, 2026.
9. In June 1994, in Caddo Parish, Louisiana, Ms. Demery pleaded guilty and was convicted on a charge of “felony theft” involving a shoplifting incident the preceding year. The court sentenced her to five years’ hard labor in the Louisiana Department of Corrections but suspended that sentence and placed her on five years’ “supervised probation.”
10. In September 2005, in Caddo Parish, Louisiana, Ms. Demery pleaded guilty to and was convicted of two more “felony theft” charges offenses, each involving property allegedly exceeding \$1,000 in value and committed in 2001. One charge entailed Ms. Demery stealing money from a magazine and gambling it away, while the other involved her and an accomplice stealing a

metal fence. She initially received concurrent suspended sentences and probation, but this was later revoked and she was incarcerated.

11. In approximately 2006, in Red River Parish, Louisiana, Ms. Demery pleaded guilty and was convicted of another theft of more than \$500. This theft was allegedly committed between September 1 and October 15, 2004, and entailed Ms. Demery pocketing utility payments made by others. Her sentencing was delayed until 2012 because she absconded to Texas, and was then incarcerated until 2015.
12. Between 2008-10, Ms. Demery committed three additional thefts in Texas, each involving her misuse of checks. In Collin County Case No. 416-80710-09, Ms. Demery was indicted for the offense of theft between \$1,500 and \$20,000 allegedly committed on or about April 4 through 25, 2008. She would eventually plead guilty in April 2013 to the state-jail-felony offense of theft of property of less than \$1,500 with two or more prior convictions, was convicted of that offense, and was sentenced to 180 days in state jail with back-time credit and \$360 in court costs.
13. The other two Texas thefts were in Dallas County. In Case No. F-0935330, Ms. Demery was indicted for theft of property having an aggregate value between \$1,500 and \$20,000, allegedly committed on or about between January 1-14, 2009, against the property owner Eagle Crest Apartments. In Case No. F-1131287, Ms. Demery was indicted for the same offense allegedly committed on or about between June 18 and December 5, 2010, against the property owner National Church Residences. Eventually, on January 5, 2016, the two cases were jointly disposed of through a plea-bargained plea of guilty to Class A misdemeanor theft in each case. She was convicted of each of these misdemeanor theft offenses (for a total of two) and given concurrent sentences of twelve days in county jail.
14. In December 2014, Ms. Demery pleaded guilty to and was convicted of a charge of “bank fraud” in Caddo Parish, an offense she was alleged to have committed earlier that year and again involved her misuse of one or more checks. The court sentenced Ms. Demery to a term of incarceration, to run concurrently with any prior sentence and with credit for time served. She was apparently released on parole in 2016.

15. In May 2019, in Bossier Parish, Louisiana, Ms. Demery pleaded guilty to a charge of theft allegedly committed in August 2017 and involving her alleged misappropriation of funds given to a nonprofit organization she headed.
16. Ms. Demery denies having committed the theft in Bossier Parish and claims to have pleaded guilty merely so she could get out of jail.
17. For the Bossier Parish theft, Ms. Demery was sentenced to time served, though she was ordered to pay restitution.
18. On July 7, 2022, the Bossier Parish court found that restitution “is paid in full” and “[p]robation is terminated satisfactorily.” That date represents the conclusion of Ms. Demery’s last remaining probation or sentence.
19. At time of hearing, Ms. Demery was fifty-five years of age.
20. Ms. Demery’s license application required her to disclose whether she had ever been “convicted” of either a felony or misdemeanor, with “convicted defined as “includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere or no contest, or having been given probation, a suspended sentence, or a fine.”
21. Ms. Demery answered “No” to both questions.
22. Ms. Demery’s “No” answers were false, and intentionally so.
23. After being informed by Staff that “it looks like you may have a criminal history you didn’t tell us about,” Ms. Demery wrote Staff professing to “sincerely apologize”; claiming that she “was misinformed or misunderstood that if a conviction was over ten years old, it did not need to be reported”; and to “now fully understand that complete transparency is required at all times, regardless of how much time has passed.” However, she acknowledged only her Texas convictions.
24. Ms. Demery did not disclose her Louisiana convictions until after she was informed by Staff that its background check on her extended to states other than Texas and Staff inquired about specific Louisiana offenses.

25. Ms. Demery’s initial acknowledgment of only her Texas convictions and continued failure to disclose her Louisiana convictions until being made aware that Staff knew of them was an intentional attempt to mislead TDI about their existence.
26. Even under Ms. Demery’s supposed original misunderstanding about a ten-year limitation on the convictions she was required to disclose, she falsely and intentionally failed to disclose her 2019 guilty plea and conviction in Bossier Parish.

VII. CONCLUSIONS OF LAW

1. The Commissioner of Insurance and TDI have jurisdiction over this matter. Tex. Ins. Code §§ 4001.105, 4005.101, .102; Tex. Occ. Code § 53.021-.023.
2. SOAH has authority to conduct a contested-case hearing in 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 §§ 40.001-.005, 4005.104(a).
3. Ms. Demery received timely and sufficient notice of hearing. Tex. Gov’t Code ch. 2001; Tex. Ins. Code § 4005.104(b).
4. As pertinent here, TDI may deny a license application if an applicant has: “intentionally made a material misstatement in the license application”; “attempted to obtain a license by fraud or misrepresentation”; “engaged in fraudulent or dishonest acts or practices”; or “been convicted of a felony.” Tex. Ins. Code § 4005.101(b)(2), (3), (5), (8).
5. TDI’s rules authorize it to deny a license application if the applicant “has been convicted of placed on deferred adjudication for . . . an offense that directly relates to the duties and responsibilities of the licensed occupation.”²⁸ Tex. Admin. Code § 1.502(d); *see* Tex. Occ. Code §§ 53.021(a), (d), .022.
6. By rule, TDI has defined “guideline” offenses that it “considers [to be] directly related to the duties and responsibilities of the licensed occupation,” which include “any offense for which fraud, dishonesty, or deceit is an essential element”; “any felony involving moral turpitude or breach of

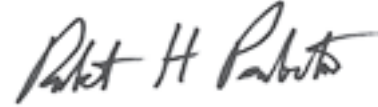
- fiduciary duty”; “any offense with the essential elements of . . . a theft offense, as described by [Texas] Penal Code Chapter 31”; and “any offense under the laws of another state . . . if the offense contains elements that are substantially similar to the elements of an offense listed” there. 28 Tex. Admin. Code § 1.502(f)(1), (3), (4)(K), (8).
7. If an applicant has committed a “directly related” offense, TDI is required to consider the factors specified in Texas Occupations Code Section 53.022 and .023 in its ultimate decision whether to deny an application based on that ground versus granting it. 28 Tex. Admin. Code § 1.502(e).
 8. Texas Occupations Code Section 53.022 requires a licensing authority to consider each of “the nature and seriousness of the crime”; “the relationship of the crime to the purposes for requiring a license to engage in the occupation”; “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”; “the relationship of the crime to the ability or capacity required to perform the duties and discharge the responsibilities of the licensed occupation”; and “any correlation between elements of the crime and the duties and responsibilities of the licensed occupation.” Tex. Occ. Code § 53.022.
 9. Texas Occupations Code Section 53.023 requires a licensing authority to consider each of the following factors that bear upon the applicant’s present fitness for licensure: “the extent and nature of the person’s past criminal activity”; “the age of the person when the crime was committed”; “the amount of time that has elapsed since the person’s last criminal activity”; “the conduct and work activity of the person before and after the criminal activity”; “evidence of the person’s rehabilitation or rehabilitative effort while incarcerated or after release”; “evidence of the person’s compliance with any conditions of community supervision, parole, or mandatory supervision”; and “other evidence of the person’s fitness, including letters of recommendation.” Tex. Occ. Code § 53.023(a).
 10. TDI considers all of the offenses in its “guideline” list to be “of prime importance in determining fitness for licensure.” 28 Tex. Admin. Code § 1.502(f).

11. TDI “considers it very important” that its licensees and applications “be honest, trustworthy, and reliable,” given the “complex and varied nature of insurance [and] insurance-related products” and the need for the public to trust and rely on them. 28 Tex. Admin. Code § 1.502(a), (c).
12. Staff has the burden to prove any grounds for denying Ms. Demery’s license application, while Ms. Demery has the burden to prove her fitness for licensure despite any criminal history that could be a basis for denial. 1 Tex. Admin. Code § 155.427; *see* Tex. Occ. Code § 53.023.
13. The standard of proof is by a preponderance of the evidence. *See Granek v. Texas State Bd. of Med. Examn’rs*, 172 S.W.3d 761, 777 (Tex. App.—Austin 2005, no pet.); *Southwestern Pub. Servs. Co. v. Pub. Util. Comm’n of Tex.*, 962 S.W.2d 207, 213-14 (Tex. App.—Austin 1998, pet. denied).
14. Staff met its burden to prove that Ms. Demery has been convicted of crimes that are grounds for denying her license application. Tex. Ins. Code § 4005.101(b)(5), (8); 28 Tex. Admin. Code § 1.502(d)(1), (f)(1), (3), (4)(K), (8).
15. Ms. Demery did not meet her burden to prove that she is fit to be licensed despite her criminal history. 28 Tex. Admin. Code § 1.502(a), (c), (d), (e), (f)(1), (3), (4)(K), (8); *see* Tex. Occ. Code § 53.023(a).
16. Staff met its burden to prove that Ms. Demery intentionally made a material misstatement in her license application. Tex. Ins. Code § 4005.101(b)(2).
17. Staff met its burden to prove that Ms. Demery attempted to obtain a license by misrepresentation. Tex. Ins. Code § 4005.101(b)(3).
18. Ms. Demery’s license application should be denied.

2026-9911

Signed March 18, 2026

ALJ Signature:



Robert Pemberton

Presiding Administrative Law Judge