

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE
COMMISSIONER OF INSURANCE

IN THE MATTER OF:

THE LICENSURE OF
DIEGO LARES
(NPN #21273351)

Respondent.

ORDER AND
FINAL AGENCY DECISION

Docket Number: 2295

THIS MATTER was heard on June 30, 2025 by the undersigned Hearing Officer, as designated by the Commissioner of Insurance ("Commissioner") pursuant to N.C. Gen. Stat. § 58-2-55. The administrative hearing was held in the Hearing Room at the North Carolina Department of Insurance, located at 3200 Beechleaf Court, Raleigh, Wake County, North Carolina.

Petitioner, the Agent Services Division of the North Carolina Department of Insurance ("Petitioner" or "ASD"), was present and represented by Assistant Attorney General Kristin K. Mullins. Jeffrey Miller ("Mr. Miller"), Complaint Analyst for ASD, appeared and testified on behalf of the Petitioner. Respondent, DIEGO LARES, ("Respondent") did not appear and was not represented by counsel at the hearing.

Petitioner's Exhibits 1-12 were admitted into evidence.

BASED UPON careful consideration of the evidence, arguments presented at the hearing by ASD, and the entire record in the proceeding, the Hearing Officer hereby makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The North Carolina Department of Insurance ("NCDOI") is a state agency responsible, in accordance with Chapter 58 of the North Carolina General Statutes, for enforcement of the insurance laws of North Carolina and for regulating and licensing insurance producers.

2. Respondent is a resident of Nevada. See Pet'r's Exs. 3 and 4.

3. Respondent currently holds an active non-resident North Carolina Insurance Producer License, National Producer Number 21273351, with lines of authority for Accident & Health or Sickness and Life ("License"). Respondent's License was first active in North Carolina on October 5, 2024. *See* Pet'r's Exs. 3 and 4.

4. The Notice of Administrative Hearing was properly served on Respondent pursuant to N.C. Gen. Stat. §§ 58-2-69(d) and 58-2-69(e). *See* Pet'r's Exs. 1 and 2.

5. The Notice of Administrative Hearing, Petition for Administrative Hearing, and the applicable Affidavit of Service were admitted into evidence as administrative exhibits. *See* Pet'r's Exs. 1 and 2.

6. Jeffrey Miller is a Complaint Analyst with ASD, and among his job responsibilities is handling enforcement files for ASD. This includes handling Personalized Information Capture System alerts ("PIC alert") received through the National Association of Insurance Commissioners ("NAIC") system. PIC alerts notify NCDOI if another state has taken administrative action against a North Carolina licensee.

7. Mr. Miller was assigned the PIC alert relating to Respondent, which the Kansas Department of Insurance entered into NAIC on December 5, 2024. *See* Pet'r's Ex. 5. Mr. Miller has handled the investigation of the Respondent's enforcement file from ASD since the file's inception.

8. During his investigation, Mr. Miller reviewed the contents of Respondent's enforcement file, including Respondent's Licensing Summary Report, *see* Pet'r's Ex. 3, Respondent's State Licensing Report, *see* Pet'r's Ex. 4, Respondent's Report on the Regulatory Information Retrieval System ("RIRS Report"), *see* Pet'r's Ex. 5 and Respondent's National Insurance Producer Registry ("NIPR") Attachment Warehouse, *see* Pet'r's Ex. 6.

9. As part of his investigation, Mr. Miller obtained a copy of the administrative action from the Kansas Department of Insurance, more specifically the Decision on License Application. *See* Pet'r's Ex. 7. The Kansas administrative action was a denial of the Respondent's non-resident Kansas insurance producer license due to the underlying nature of his April 9, 2024 Las Vegas Justice Court, Case No. 23-CR-101871, misdemeanor conviction for engaging in lewd or dissolute conduct in a public place and battery. *Id.* Additionally, the Kansas Department of Insurance found that the aggravating factors of the misdemeanor, and the underlying conduct and nature of the conviction, indicated to them that the insurable interests of the public would not be properly served by granting Respondent a license. *Id.* The Department denied his application based on K.S.A 40-4909(a)96) and K.S.A. 40-

4909(b). *Id.* When considering the conduct underlying the misdemeanor convictions, the Department considered the factors set forth in K.S.A. 40-4909(c)(1) and found that his age at the time of the conduct, recency of the conduct, and seriousness of the conduct were aggravating factors. *Id.* Furthermore, the aggravating factors, the underlying conduct and the nature of the convictions indicated that the insurable interests of the public would not be served by granting Respondent a license. *Id.*

10. A licensee is obligated to report administrative actions to NCDOI within thirty (30) days. *See* N.C. Gen. Stat. § 58-33-32(k). This requirement can be achieved either by notifying ASD directly or by uploading a copy of the administrative action to the NIPR attachment warehouse within thirty (30) days.

11. Mr. Miller testified that Respondent failed to report the October 9, 2024 Kansas administrative action within the thirty (30) days required by N.C. Gen. Stat. § 58-33-32(k). *See* Pet'r's Exs. 5 and 6. Furthermore, Mr. Miller testified that Respondent never reported the October 9, 2024 Kansas administrative action. *Id.*

12. Mr. Miller testified additionally that, although materials were uploaded by Respondent to the "Link to Document" under the Background Questions section of the Warehouse, the materials uploaded were dated from September 17, 2024 through September 30, 2024, which predated Respondent's application date to the NCDOI of October 5, 2024. *See* Pet'r's Ex. 6. As a result, Mr. Miller testified that none of the documents uploaded in this section pertained to his Kansas administrative action.

13. Accordingly, ASD sent correspondence to Respondent's e-mail addresses on record, initially on December 18, 2024, advising Respondent that the Kansas administrative action, in order to be compliant with N.C. Gen. Stat. § 58-33-32(k), needed to be reported within thirty (30) days of the October 9, 2024 effective date, or by November 9, 2024. *See* Pet'r's Exs. 8 and 9. Respondent was instructed to provide to Mr. Miller a written response, along with documentation regarding the administrative action, within ten (10) days of receipt of the letter. *Id.*

14. Mr. Miller testified that Respondent did not respond to the December 18, 2024 correspondence.

15. Additionally, on December 30, 2024, ASD sent yet another e-mail to Respondent's e-mail addresses on record. In that e-mail, it was noted that the Respondent failed to provide a response, and the requested documentation as requested in the December 18, 2024 initial correspondence. *See* Pet'r's Exs. 8 and 10. The December 30, 2024 correspondence gave Respondent notice that, unless he sent a copy of the administrative actions and a written statement to ASD within ten (10) days, ASD would consider Respondent to be in violation of N.C. Gen. Stat. §§ 58-2-185 and 58-2-195 and would consider proceeding with an administrative action against his license. *Id.*

16. Mr. Miller testified that Respondent did not respond to the December 30, 2024 correspondence.

17. Additionally, on January 23, 2025, ASD sent yet another e-mail to Respondent's e-mail addresses on record. *See* Pet'r's Exs. 8 and 11. That same day, a copy of the correspondence was also mailed to Respondent's residential address on record, as required by N.C. Gen. Stat. § 58-2-69(b), via the U.S. Postal Service on January 23, 2025. *Id.* This correspondence alerted Respondent that he appeared to be in violation of N.C. Gen. Stat. §§ 58-33-46(a)(2) and 58-33-32(k) and informed him that an informal telephonic conference had been scheduled for February 20, 2025 at 2:00 p.m. to discuss the allegations. *Id.*

18. Mr. Miller testified that Respondent did not respond to the January 23, 2025 correspondence and did not attend the scheduled February 20, 2025 informal telephonic conference.

CONCLUSIONS OF LAW

1. This matter is properly before the Commissioner. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Chapter 58 of the North Carolina General Statutes.

2. Respondent was properly served with the Notice of Administrative Hearing and Petition for Administrative Hearing in this matter pursuant to N.C. Gen. Stat. §§ 58-2-69(d) and 58-2-69(e). *See* Pet'r's Exs. 1 and 2.

3. N.C. Gen. Stat. § 58-33-32(k) requires an insurance producer to report to the Commissioner "any administrative action" taken against the producer by another state "within 30 days after the final disposition of the matter." N.C. Gen. Stat. § 58-33-32(k) further specifies that this report "shall include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the action."

4. Respondent failed to report the Kansas administrative action taken by the Kansas Department of Insurance (effective October 9, 2024) to the Commissioner within thirty (30) days of the action's final disposition, as is required by N.C. Gen. Stat. § 58-33-32(k).

5. Furthermore, as of the date of the hearing in this matter, Respondent had failed to report the Kansas administrative action.

6. In addition, N.C. Gen. Stat. § 58-33-46(a)(2) states that the Commissioner may place on probation, suspend, revoke or refuse to renew the license of a licensee that has violated any insurance law of this or any other state, violated any administrative rule, subpoena, or order of the Commissioner or of another state's

insurance regulator, or violated any rule of FINRA.

7. By failing to report the Kansas administrative action within thirty (30) days of the action's final disposition, or ever, the Respondent violated a North Carolina insurance law within the meaning of N.C. Gen. Stat. § 58-33-46(a)(2).

8. Based upon the evidence received and the applicable law, the undersigned Hearing Officer concludes that the Respondent's license should be revoked under N.C. Gen. Stat. § 58-33-46(a)(2) for violating N.C. Gen. Stat. § 58-33-32(k).

BASED UPON the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer enters the following:

ORDER

It is **ORDERED** that Respondent's non-resident North Carolina Insurance Producer license is hereby **REVOKED** effective as of the date of the signing of this Order.

This the 6th day of October, 2025.


Terence D. Friedman
Hearing Officer
N.C. Department of Insurance

APPEAL RIGHTS

This is a Final Agency Decision issued under the authority of N.C. Gen. Stat. § 150B, Article 3A.

Under the provisions of N.C. Gen. Stat. § 150B-45, any party wishing to appeal a final decision of the North Carolina Department of Insurance must file a Petition for Judicial Review in the Superior Court of the County where the person aggrieved by the administrative decision resides, or in the case of a person residing outside the State, the county where the contested case which resulted in the final decision was filed. The appealing party must file the petition within 30 days after being served with a written copy of the Order and Final Agency Decision. In conformity with 11. NCAC 01.0413 and N.C. Gen. Stat. § 1 A-1, Rule 5, this Order and Final Agency Decision was served on the parties on the date it was placed in the mail as indicated by the date on the Certificate of Service attached to this Order and Final Agency Decision. N.C. Gen. Stat. § 150B-46 describes the contents of the Petition, including explicitly stating what exceptions are taken to the decision or procedure and what relief the petitioner seeks, and requires service of the Petition by personal service or by certified mail upon all who were parties of record to the administrative proceedings. The mailing address to be used for service on the Department of Insurance is: Amy Funderburk, General Counsel, 1201 Mail Service Center, Raleigh, NC 27699-1201.

CERTIFICATE OF SERVICE

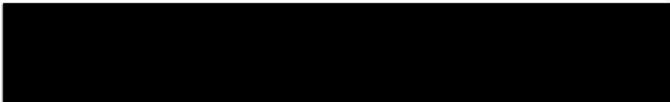
I HEREBY CERTIFY that I have this day served the foregoing **ORDER AND FINAL AGENCY DECISION** by mailing a copy of the same via certified U.S. Mail, return receipt requested, and via first class U.S. mail to the licensee, at the address provided to the Commissioner, pursuant to N.C. Gen. Stat. § 58-2-69(b); and via State Courier to Attorney for Petitioner, addressed as follows:

Diego Lares
240 E Silverado Ranch Blvd., Unit #1349
Las Vegas, NV 89183
(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 3421 9326 67

Kristin K. Mullins
Assistant Attorney General
N.C. Department of Justice
Insurance Section
9001 Mail Service Center
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(Attorney for Petitioner)

This the 6th day of October, 2025.



Raheema I. Moore
Clerk of Court for Administrative Hearings
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