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 KARLA SANCHEZ Applicant.	)))))))	 ORDER AND FINAL AGENCY DECISION Docket Number: 2347

THIS MATTER came on for hearing and was heard on April 30, 2026 by the undersigned Hearing Officer, as designated by the North Carolina Commissioner of Insurance ("Commissioner") pursuant to N.C. Gen. Stat. § 58-2-55 and other applicable statutes and regulations. The administrative hearing was held in the North Carolina Department of Insurance's Hearing Room, located at 3200 Beechleaf Court, Raleigh, Wake County, North Carolina.

Petitioner, the Agent Services Division of the North Carolina Department of Insurance ("Petitioner" or "Agent Services") was present and represented by Assistant Attorney General, Kristin K. Mullins.

Applicant, Karla Sanchez ("Applicant") appeared at the hearing, represented herself *pro se*, and testified on her own behalf.

Elizabeth Parsons, Assistant Deputy Commissioner of Agent Services, appeared and testified on behalf of the Petitioner.

Petitioner's Exhibits 1 through 17, and all subparts, were admitted into evidence with redactions of personally identifiable information.

This matter was originally scheduled for hearing on February 3, 2026. Due to inclement weather conditions, the Hearing Officer continued the matter to March 5, 2026 at 10:00 a.m. The matter was subsequently continued to April 30, 2026 at 2:00 p.m., at the request of Applicant due to a scheduling conflict.

BASED UPON careful consideration of the documentary and testimonial evidence presented at the hearing, and upon the entire record in the proceeding, the undersigned 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 for enforcement of the insurance laws of North Carolina and for regulating and licensing insurance producers, in accordance with Chapter 58 of the North Carolina General Statutes. Agent Services is a division of the NCDOI.

2. On December 30, 2025, the Notice of Administrative Hearing ("Notice") and Petition for Administrative Hearing ("Petition") were deposited in the United States Postal Service via first-class mail and via certified mail, return receipt requested. Service was directed to Applicant's residential address of record in accordance with N.C. Gen. Stat. §§ 58-2-69(b), (d), and (e), 150B-38(c), and Rule 4 of the North Carolina Rules of Civil Procedure. *See* Pet'r's Exs. 1 and 2. The certified mail to Applicant was delivered on January 3, 2026, and the first-class mail was not returned. *See* Pet'r's Ex. 2.

3. On February 3, 2026, the original date scheduled for this administrative hearing, the Hearing Officer continued this matter due to inclement weather conditions. On the same day, a Scheduling Order entered by the Hearing Officer was deposited in the United States Postal Service via first-class mail and via certified mail, return receipt requested, directed to Applicant's residential address of record pursuant to Rule 5 of the North Carolina Rules of Civil Procedure, which also incorporates the service methods of Rule 4. *See* Pet'r's Ex. 3. The administrative hearing was rescheduled to take place on March 5, 2026, at 10:00 a.m. *Id.*

4. On February 26, 2026, Applicant submitted a written request to continue the administrative hearing due to a work-related scheduling conflict. *See* Pet'r's Ex. 4. On March 2, 2026, the Hearing Officer entered an Order of Continuance and Scheduling Order granting Applicant's request and rescheduling the hearing to April 30, 2026, at 2:00 p.m. *See* Pet'r's Ex. 5 and 6. On that same day, a copy of the Order of Continuance and Scheduling Order was deposited in the United States Postal Service via first-class mail and via certified mail, return receipt requested, directed to Applicant's residential address of record pursuant to Rule 5 of the North Carolina Rules of Civil Procedure which also incorporates the service methods of Rule 4. *Id.* The certified mail was not delivered, and the first-class mail was not returned. *See* Pet'r's Ex. 6.

5. Elizabeth Parsons ("Ms. Parsons"), Assistant Deputy Commissioner with Agent Services, supervises Dawne Pittman ("Ms. Pittman"), a Licensing Regulatory Analyst whose primary job duties include license application reviews. At all times relevant to this matter, Ms. Pittman operated under the supervision of Ms. Parsons. Ms. Pittman was assigned to and managed the Applicant's license application from the initial review through hearing preparation. Because Ms. Pittman was unavailable due to medical leave, Ms. Parsons appeared at the hearing.

Ms. Parsons testified that she reviewed the contents of the enforcement file and all documents prepared by Ms. Pittman, confirming their accuracy.

6. On February 27, 2025, Applicant submitted an application to the NCDOI for a resident insurance producer license with a line of authority in Personal Lines ("license application"). *See* Pet'r's Ex. 7. On the license application, Applicant answered "No" to the background question which asked, "Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?" *Id.*

7. Upon reviewing Applicant's license application, Agent Services discovered that the State of Nevada, Division of Insurance, had previously entered a Findings of Fact, Conclusion of Law, Order of the Hearing Officer, and Final Order of the Commissioner against Applicant on March 22, 2024 ("Nevada administrative action"). *See* Pet'r's Ex. 8.

8. On March 22, 2024, the State of Nevada, Division of Insurance ("Nevada") issued a Findings of Fact, Conclusion of Law, Order of the Hearing Officer, and Final Order of the Commissioner retroactively revoking Applicant's Nevada license, effective May 16, 2022, and assessing a fine of $2,000 for Applicant's multiple violations. *See* Pet'r's Ex. 8. Most notably, Nevada found that Applicant's actions in Nevada "violated laws regulating insurance and regulations of the Commissioner" and that she "used fraudulent or dishonest practices and untrustworthiness in the conduct of business in Nevada." *Id.* Additionally, regarding the issue of notice, Nevada found proper service had been achieved, stating "[a]fter review of the filings and service in this matter, the Hearing Officer was satisfied that respondent was properly noticed of the hearing date and failed to appear."

9. On or about February 28, 2025, Agent Services contacted Applicant regarding the Nevada administrative action. *See* Pet'r's Ex. 7. On March 27, 2025, Applicant submitted a written personal statement explaining her failure to disclose the Nevada administrative action on her license application. *See* Pet'r's Ex. 7a. In the statement, Applicant asserted that she lacked knowledge of the underlying Nevada hearing and expressed confusion regarding this application process. *Id.* Applicant further stated that she had previously spoken to Pearson Vue regarding the revocation of her Nevada insurance producer license and mistakenly believed Pearson Vue and the NCDOI were the same entity, leading her to conclude no additional disclosure to the NCDOI was required. *Id.*

10. On the February 27, 2025 license application, Applicant answered "No" to the question asking if she had ever been named or involved as a party to an administrative proceeding regarding any professional or occupational license, despite the prior Nevada administrative action set forth in Finding of Fact # 8.

11. Effective May 16, 2022, Nevada revoked Applicant's license and assessed a fine against Applicant for violating Nevada insurance laws NRS 683A.261.9 and NRS 686A.290, as well as Nevada Administrative Code 686A.690. Additionally, Nevada found that Applicant used fraudulent or dishonest practices or untrustworthiness in the conduct of business in Nevada. *See* Pet'r's Ex. 8.

12. On April 1, 2025, Agent Services denied Applicant's February 27, 2025 license application and sent correspondence to Applicant via email and first-class mail notifying Applicant of the denial. *See* Pet'r's Ex. 9. Thereafter, Applicant made a timely request for a denial review pursuant to N.C. Gen. Stat. § 58-33-30(g). *See* Pet'r's Ex. 10.

13. On April 4, 2025, Agent Services sent correspondence to Applicant via email and first-class mail notifying Applicant that a denial review was scheduled for May 15, 2025, at 10:00 a.m. *See* Pet'r's Ex. 11.

14. On May 15, 2025, the requested denial review occurred with Applicant in attendance, as well as Ms. Pittman, Ms. Parsons, and Mr. Joe Wall, Deputy Commissioner with Agent Services. During the denial review, Applicant was given the opportunity to present her personal statement and oral testimony in support of her application for a resident insurance producer license. *See* Pet'r's Ex. 17.

15. Following the denial review, Agent Services issued a determination upholding the denial of Applicant's license application. In upholding the denial, Agent Services considered several factors, specifically, Applicant's failure to disclose the Nevada administrative action on her February 27, 2025 license application, as well as the underlying regulatory violations found by the State of Nevada.

16. On May 15, 2025, Agent Services sent correspondence to Applicant via email and first-class mail notifying Applicant that her license application remained denied following the denial review. *See* Pet'r's Ex. 12. Applicant made a timely written request for an administrative hearing pursuant to N.C. Gen. Stat. § 58-33-30(g). *See* Pet'r's Ex. 13.

17. On July 29, 2025, while the administrative review of her resident insurance producer license denial was pending a scheduled hearing, Applicant submitted a second application for a credit agent license ("July 29, 2025 license application"). *See* Pet'r's Ex. 14.

18. Although Applicant disclosed the Nevada administrative action on the July 29, 2025 license application, Agent Services issued a determination to deny this second application based on the underlying Nevada violations set forth in Finding of Fact # 8. *See* Pet'r's Ex. 15.

19. On August 28, 2025, Agent Services sent correspondence to Applicant

via email and first-class mail notifying Applicant that her July 29, 2025 license application was denied and advising that she may appeal this second denial during the previously requested administrative hearing for her resident insurance producer license denial. *See* Pet'r's Ex. 15.

20. On September 4, 2025, Applicant submitted written confirmation to Agent Services accepting the arrangement to consolidate the appeal of her July 29, 2025 license application denial into the pending administrative hearing process. *See* Pet'r's Ex. 16.

21. Applicant testified on her own behalf at the hearing. Applicant stated that she was unaware of the Nevada regulatory hearing when it occurred, though she knew her Nevada license had been revoked. Applicant disputed the underlying findings of the Nevada order, testifying that an individual named Francis McDonnell with AEIC was close friends with her former employer, Michael Hansen (owner of Hansen & Hansen Agency), and had fabricated the allegations against her. Applicant further testified that an unlicensed individual at Hansen & Hansen Agency processed an endorsement for Jorge Alfonso Santos, adding Applicant's name without her knowledge, and asserted that she was not terminated from Hansen & Hansen Agency but had resigned. Additionally, Applicant denied ever residing in Mexico or possessing a Mexican driver's license, expressing regret that she had not prevented her former agency from utilizing her license credentials. Finally, Applicant reiterated her belief that she was only required to verbally report the Nevada revocation to Pearson Vue during her application process, which she mistakenly assumed was equivalent to notifying the NCDOI.

22. On cross-examination, Applicant stated that she is currently employed in a non-insurance sales position, working more than forty (40) hours per week. Applicant testified that while she enjoys her current employment and has opportunities for career advancement, she seeks licensure as an insurance producer and credit agent because of her love for the insurance industry and customer service, as well as a desire to clear her name. Regarding the underlying Nevada matter, Applicant testified that Jorge Alfonso Santos was a customer she knew, and she stated that an unlicensed individual at the Hansen & Hansen Agency likely issued the endorsement to his policy—adding her name and changing his marital status to married to lower his premium—without her authorization. Finally, Applicant admitted that she has not paid the $2,000 administrative fine assessed against her by the State of Nevada, and although she communicated with Nevada's general counsel in 2025 regarding a payment plan, she has not made any further contact with Nevada.

23. The Hearing Officer finds the Applicant's testimony regarding the underlying Nevada violations and her failure to disclose the Nevada administrative action lacks credibility when weighed against the official documentary evidence.

Nevada's final administrative order is accepted as legally sound and true, and the Applicant's uncorroborated testimony is insufficient to overcome those established findings. Furthermore, the Applicant's claim that she believed notifying a third-party (Pearson Vue) satisfied her statutory obligation to disclose a license revocation to the NCDOI is unpersuasive and contradicted by the explicit disclosure instructions on the application itself. Accordingly, greater evidentiary weight is afforded to the certified administrative records than to the Applicant's uncorroborated hearing testimony.

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. Applicant was properly served with the Notice and Petition in this matter pursuant to N.C. Gen. Stat. § 58-2-69(d) and (e). Service of the Notice and Petition to Applicant's residential address of record was deemed complete on or about January 3, 2026.

3. Alternatively, Applicant was properly served with the Notice and Petition in this matter pursuant to N.C. Gen. Stat. § 150B-38(c) and Rule 4 of the North Carolina Rules of Civil Procedure. Service of the Notice and Petition to Applicant's residential address of record was deemed complete on January 3, 2026.

4. Pursuant to N.C. Gen. Stat. § 58-33-30(g), the Commissioner may deny an application for a resident insurance producer license for any reason for which a license may be suspended or revoked or not renewed pursuant to N.C. Gen. § 58-33-46.

5. N.C. Gen. Stat. § 58-33-31(a)(2) mandates that an applicant declare under penalty of application denial that all statements are true, correct, and complete. It further dictates that before approving an application, the Commissioner must find that the individual has not committed any act that constitutes a ground for suspension or revocation under § 58-33-46.

6. N.C. Gen. Stat. § 58-33-46(a)(1) provides that the Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of Chapter 58 if a person provides materially incorrect, misleading, incomplete, or materially untrue information in the license application.

7. Applicant's answer of "No" to the background question regarding prior administrative, FINRA, or arbitration proceedings was materially incorrect and untrue. On March 22, 2024, Nevada entered an order revoking Applicant's license

effective May 16, 2022, and assessed a $2,000 fine. By failing to disclose the Nevada administrative action on her February 27, 2025 license application, Applicant provided materially incorrect and untrue information, constituting a direct violation of N.C. Gen. Stat. § 58-33-46(a)(1).

8. N.C. Gen. Stat. § 58-33-46(a)(2) provides that the Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of Chapter 58 if a person violates an insurance law of this state or any other state, violates any administrative rule, subpoena, or order of the Commissioner of another state's insurance regulator, or violates any rule of FINRA.

9. The Nevada administrative action issued against Applicant establishes that Applicant has violated insurance laws and regulations of another state. By order entered March 22, 2024, Nevada found that Applicant violated Nevada insurance laws NRS 683A.261.9 and NRS 686A.290, as well as Nevada Administrative Code 686A.690. This out-of-state regulatory violation constitutes a violation under N.C. Gen. Stat. § 58-33-46(a)(2).

10. N.C. Gen. Stat. § 58-33-46(a)(8) provides that the Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of Chapter 58 if a person uses fraudulent, coercive, or dishonest practices, or demonstrates incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere.

11. The Nevada administrative action issued against Applicant establishes that Applicant has used fraudulent or dishonest practices or demonstrated untrustworthiness in the conduct of business in another state. By order entered March 22, 2024, Nevada found that Applicant engaged in fraudulent or dishonest practices or untrustworthiness in the conduct of business within that state. This out-of-state behavior constitutes a violation of N.C. Gen. Stat. § 58-33-46(a)(8).

12. By Applicant's agreement, the denial review of Applicant's second license application dated July 29, 2025, is properly before the Hearing Officer. While Applicant did disclose the Nevada administrative action on the July 29, 2025 license application, her established violations of N.C. Gen. Stat. §§ 58-33-46(a)(2) and (a)(8) based on the Nevada findings are sufficient to independently support denial of Applicant's second application for a credit agent license under N.C. Gen. Stat. § 58-33-30(g).

13. The Hearing Officer has carefully weighed the official documentary evidence against the Applicant's uncorroborated testimony. The Applicant's failure to disclose the Nevada administrative action on her February 27, 2025 license application, the serious nature of the dishonest practices found by Nevada, and her

ongoing failure to satisfy the $2,000 Nevada fine heavily outweigh her current employment stability or desire to clear her name. Accordingly, the denial of both the resident insurance producer and credit agent license applications is fully supported by the record.

14. Based on the documentary and testimonial evidence in this case, and the applicable law, the Hearing Officer concludes that Applicant's violations of N.C. Gen. Stat. §§ 58-33-46(a)(1), (a)(2), and (a)(8) establish that she cannot satisfy the statutory requirements of N.C. Gen. Stat. § 58-33-31(a)(2). Therefore, the Commissioner has ample grounds to refuse issuance, and Applicant's resident insurance producer and credit agent license applications should be denied pursuant to N.C. Gen. Stat. § 58-33-30(g).

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

ORDER

It is ORDERED that the Agent Services Division's denial of Applicant's February 27, 2025 application for a North Carolina resident insurance producer license is hereby AFFIRMED.

It is ORDERED that the Agent Services Division's denial of Applicant's July 29, 2025 application for a North Carolina credit agent license is hereby AFFIRMED.

Applicant's applications for licensure by the North Carolina Department of Insurance are DENIED.

This Order is effective three (3) days from the date of mailing this Order. The "date of mailing" is the date indicated on the Certificate of Service attached to this Order.

This 25th day of August, 2026.



Shannon Wharry
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 1.0413 and N.C.G.S. § 1A-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 and requires service of the Petition on all parties. 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 Applicant at the address the applicant provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b), (d) and (e); via courtesy e-mail to Applicant and via State Courier and courtesy e-mail to Attorney for Petitioner, addressed as follows:

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This the 25th day of August, 2026.

[redacted]

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