

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
CHANELLE SENDEJAS
(NPN# 8682323)

Respondent.

ORDER AND
FINAL AGENCY DECISION

Docket Number: 2252

THIS MATTER was heard on January 8, 2025, by the undersigned Hearing Officer, as designated by the Commissioner of Insurance pursuant to N. C. Gen. Stat. § 58-2-55. The administrative hearing was held in the Hearing Room of the North Carolina Department of Insurance, located at 3200 Beechleaf Court, Raleigh, North Carolina.

Petitioner, Agent Services Division of the North Carolina Department of Insurance ("Petitioner" or "ASD"), was present and represented by Assistant Attorney General, Nicholas B. Sorensen. Melody Hocutt, Complaint Analyst with ASD ("Hocutt"), appeared and testified on behalf of Petitioner. Respondent, Chanelle Sendejas ("Respondent"), did not appear and was not represented by counsel at the hearing.

The undersigned Hearing Officer accepted and considered testimony and evidence offered by ASD in support of the Petition at the hearing. *See* Pet'r's Ex. 1.

Petitioner's exhibits 1-16 were admitted into evidence. The undersigned took judicial notice of Hearing Officer Exhibit 1 which was admitted into evidence.

The Petition for Administrative Hearing alleged that Respondent violated N.C. Gen Stat. §§ 58-33-32(k) and 58-33-46(a)(2) for failure to report another state's administrative action.

BASED UPON careful consideration of the allegations set forth in the Notice of Administrative Hearing ("Notice") and attached Petition for Administrative Hearing ("Petition") in this matter, as well as documentary and testimonial evidence presented at the hearing, 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, in accordance with Chapter 58 of the North Carolina General Statutes, for the enforcement of the insurance laws of North Carolina and for regulating and licensing insurance producers.

2. Subsections (b) (d) and (e) of N.C. Gen. Stat. § 58-2-69 provide authority to the Commissioner to give notice to any licensee by sending such notices by first-class mail at the address or addresses that a licensee provides to the North Carolina Commissioner of Insurance ("Commissioner") pursuant to N. C. Gen. Stat. § 58-2-69(b). Respondent provided the following address to the Commissioner (*see* Pet'r's Exs. 1-4; *See also* Hearing Officer's Exhibit 1):

CHANELLE SENDEJAS
3222 69TH ST.
APT. 1031
GALVESTON, TX 77551-2184

3. The Certificate of Service and Affidavit of Service prepared by the Clerk of Court indicates that copies of the Notice of Hearing and Petition were deposited in first-class mail addressed to Respondent as indicated at the above address on November 25, 2024. Service of the Notice of the Hearing and the Petition at this address was perfected upon the expiration of four (4) days after November 25, 2024, or on November 29, 2024. N.C. Gen. Stat. § 58-2-69. However, an Affidavit of Service prepared by the Paralegal for Attorney for Petitioner indicates that a copy of the Notice of Hearing and Petition were later deposited via a designated delivery service, FedEx, Priority Overnight, on December 18, 2024, was not delivered and was returned to shipper. *See* Pet'r's Exs. 1 and 2; *See also* Hearing Officer's Ex. 1.

4. Respondent holds an active non-resident Insurance Producer License with lines of authority in casualty and property ("License"). The effective date of the License is October 11, 2018. *See* Pet'r's Ex. 3.

5. On September 28, 2018, Respondent applied for a nonresident insurance producer license from the state of Indiana. On November 9, 2018, Indiana issued a license denial to Respondent. The grounds for denial was Respondent's deferred adjudication for theft of policy premiums which was grounds for denial under Indiana Code § 27-1-15.6-12(b)(4) ("improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business."). Respondent did not report the November 9, 2018 Indiana denial to the Commissioner. *See* Pet'r's Exs. 5-7.

6. On September 28, 2018, Respondent applied for a nonresident insurance producer license from the state of South Dakota. On October 3, 2018, South Dakota wrote to Respondent requesting additional information regarding a reported felony conviction. Respondent did not reply to the request. On November 5, 2018, South Dakota wrote to Respondent via certified mail asking for documentation of her prior felony conviction. When Respondent did not reply to the letter, South Dakota called her phone number on file, but Respondent did not answer. *See* Pet'r's Ex. 8.

7. On January 23, 2019, South Dakota notified Respondent that her application for a license was denied. The grounds for denial was providing incorrect, incomplete, or misleading information on the application along with violating the insurance laws of any state. *See* SDCL §§ 58-30-167(1) and (2). Respondent did not report the South Dakota denial to the Commissioner. *See* Pet'r's Exs. 5, 6, and 8.

8. On July 2, 2019, Louisiana revoked Respondent's nonresident insurance producer license in that state. Louisiana's grounds for revocation were the failure to report the South Dakota denial and failure to respond to inquiries from the state requesting information on the other action. Respondent did not report the Louisiana revocation to the Commissioner. *See* Pet'r's Exs. 5, 6, and 9.

9. On September 11, 2019, California revoked Respondent's license for a failure to respond. Respondent did not report this revocation to the commissioner. *See* Pet'r's Exs. 5 and 6.

10. A previous investigation was opened by ASD in response to the unreported administrative actions from Indiana, South Dakota, Louisiana, and California. The results of this investigation was that a stop-block was placed on Respondent's License. The rationale for not pursuing further action at that time was that Respondent did not have any active appointments. *See* Pet'r's Exs. 3 and 16.

11. On April 27, 2023, Respondent applied to California for an insurance producer license. On August 18, 2023, California issued an Order denying Respondent's application. California cited Respondent's prior criminal convictions, her previous California licensure revocation, and her other previous administrative actions as grounds for the denial. The state found that these actions exhibited incompetency or untrustworthiness in conduct of business, a lack of integrity, and a conviction for an offense involving fraudulent or dishonest acceptance, custody, or payment of money or property. *See* Pet'r's Ex. 10.

12. Hocutt is a Complaint Analyst with ASD and, as part of her job responsibilities, handles enforcement files for ASD. Enforcement files include responding to complaints and handling Personalized Information Capture System's Alerts ("PIC Alerts") received through the NAIC system. PIC Alerts are sent to NCDOT by NAIC if another state enters the information into the system and takes

Administrative Action against a North Carolina licensee. Hocutt was assigned to investigate the matter after a PIC alert regarding the August 18, 2023 California administrative action was entered into Respondent's RIRS report by the state on August 23, 2023. *See* Pet'r's Exs. 5 and 16. Hocutt handled the investigation of Petitioner's enforcement file from initial assignment up until the date of the hearing. *See* Pet'r's Ex. 5 and 10.

13. Hocutt, during her investigation of the enforcement file relating to Louisiana's Administrative Action, reviewed various documents relating to Respondent. These documents included Respondent's state-based system licensee summaries (*see* Pet'r's Ex. 3), Respondent's NAIC state licensing reports from the Producer Database (*see* Pet'r's Ex. 4), Respondent's reports listed on the Regulatory Information Retrieval System ("RIRS") (*see* Pet'r's Ex. 5), and Respondent's uploads to the NAIC's National Insurance Producer Registry ("NIPR") Attachment Warehouse (*see* Pet'r's Ex. 6).

14. Hocutt reviewed the 2023 California administrative action and determined that it was not reported. Hocutt also reviewed Respondent's prior administrative actions and determined that they remained unreported. *See* Pet'r's Exs. 5-10.

15. On September 5, 2023, Hocutt emailed Respondent at the address she had provided to the Commissioner, requesting her to report the 2023 California action. Hocutt also notified Respondent that her previous action from California, along with the actions from South Dakota, Indiana, and Louisiana, remained unreported. Hocutt requested a written response from Respondent within ten days of the correspondence. Respondent did not reply to this request. *See* Pet'r's Exs. 3 and 11.

16. On September 22, 2023, Hocutt mailed and emailed a letter to Respondent at her addresses of record with the Commissioner. The correspondence indicated that Respondent had failed to reply to the September 5 email and that she had ten days to reply, or the Department would consider Respondent in violation of N.C. Gen. Stat. §§ 58-2-185 and 58-2-195 and may proceed with administrative action against her North Carolina license. *See* Pet'r's Exs. 3 and 12.

17. On October 10, 2023, Hocutt sent an informal conference notice to Respondent at the email and mailing address she had provided to the Commissioner. Hocutt notified Respondent that she appeared to be in violation of N.C. Gen. Stat. §§ 58-33-46(a)(2) and 58-33-32(k) for failing to report two administrative actions from California and additional administrative actions from South Dakota, Louisiana, and Indiana. The notice set the informal conference for November 7, 2023 at 2:00 p.m. via telephone. According to the correspondence, Respondent would be contacted at

(801) 424-0018, which is the number she had provided to the Commissioner. There was no reply to this correspondence from Respondent. *See* Pet'r's Exs. 3 and 13.

18. On November 3, 2023, Hocutt e-mailed Respondent a reminder that she would be contacted for an informal conference on November 7, 2023, at 2:00 p.m. *See* Pet'r's Ex. 14. Respondent did not respond to this correspondence.

19. Hocutt attempted to hold the Informal Conference with Respondent and her supervisor, Nadine Scott, on November 7, 2023, at 2:00 p.m. to discuss the unreported administrative actions. Hocutt first contacted Respondent at the phone number listed on the informal conference notice, which Respondent had provided to the Commissioner. Hocutt received an automated clearlink message when she dialed the number and was unable to reach Respondent. Hocutt then called a business number which had been provided to the NAIC (409-763-3300 x126). When this number was dialed, a representative from Moody Insurance Group answered. When Hocutt asked to speak with Respondent, the representative informed Hocutt that she had the wrong number for Respondent. *See* Pet'r's Exs. 3, 4, 13, and 16.

20. On November 14, 2023, Hocutt sent correspondence to Respondent's electronic and physical address of record notifying her that Petitioner would be seeking an administrative hearing. Petitioner stated that it would pursue administrative action against Respondent pursuant to N.C. Gen. Stat. § 58-33-46(a)(2) for an alleged violation of N.C. Gen. Stat. § 58-33-32(k) regarding the failure to report the administrative actions from California, Louisiana, South Dakota, and Indiana. Respondent did not reply to this correspondence. *See* Pet'r's Exs. 5, 7-10, 15.

BASED UPON the foregoing Findings of Fact, the undersigned Hearing Officer makes the following:

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. Despite proper service of the Notice of Administrative Hearing and the Petition for Administrative Hearing upon Respondent in this matter, pursuant to N. C. Gen. Stat. § 58-2-69 (b), (d), and (e), Respondent failed to attend the November 6, 2024, hearing. *See* Pet'r's Exs. 1 and 2. *See also* Hearing Officer's Ex. 1

3. Pursuant to N.C. Gen. Stat. § 58-33-46(a)(2), the Commissioner is justified to revoke a license issued by the Department of Insurance for a violation of the insurance law of North Carolina. *See* Pet'r's Ex. 1.

4. N.C. Gen. Stat. § 58-33-32(k) is a North Carolina insurance law which 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." Section 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."

5. Respondent violated the insurance law of North Carolina within the meaning of N.C. Gen. Stat. § 58-33-46(a)(2) by failing to report the Administrative Actions from California, Louisiana, South Dakota, and Indiana within thirty (30) days of their final disposition, as required by N.C. Gen. Stat. § 58-33-32(k).

6. The undersigned also gives weight to the fact that Respondent was unresponsive to multiple pieces of correspondence from Petitioner regarding the allegations in this case. *See* Pet'r's Exs. 1, 11-15. Pursuant to 11 NCAC 06A .0811(b), the Commissioner may suspend, revoke, or refuse to renew a license if the licensee fails to respond to NCDOI inquiries within seven calendar days after the receipt of the inquiry or request.

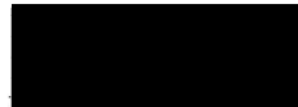
7. Based on the evidence received, and the applicable law, the undersigned Hearing Officer concludes that Respondent's North Carolina resident insurance producer license should be revoked pursuant to N.C. Gen. Stat. § 58-33-46(a)(2) for her violations of N.C. Gen. Stat. § 58-33-32(k).

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

ORDER

It is ORDERED that Respondent's insurance producer license issued by the North Carolina Department of Insurance is hereby **REVOKED** effective as of the date of the signing of this Order.

This 10th day of February, 2025.



Terrence 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 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 Respondent at the address the licensee provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b), (d) and (e); and via State Courier to Attorney for Petitioner, addressed as follows:

Chanelle Sendejas
3222 69th St., Apt. 1031
Galveston, TX 77551-2184
(*Respondent*)

Certified Mail Tracking Number: 7022 2410 0000 9662 6717

Nicholas B. Sorensen
Assistant Attorney General
N.C. Department of Justice
Insurance Section
9001 Mail Service Center
Raleigh, NC 27699-9001
(*Attorney for Petitioner*)

This the 10th day of February, 2025


Raheema I. Moore
Clerk of Court for Administrative Hearings
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General Counsel's Office
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