

Texas State Office of  
Administrative Hearings,  
300 W. 15th Street  
Suite 504  
Austin, TX 78701

11/1/2018

Phone: 512.475.4993

REGARDING: Texas Department of Insurance  
State of Texas

Vs.

Phillip Debbs Morris DOB .... 09/11/1949 SS# .... 9991 "PDM"

Original Hearing Date was June, 1997. ALJ was Wendy Hunn  
Docket No. 454-97-0896.C Commissioner's Order: 5/21/1998

### **PUNISHMENT BEFORE CONVICTION – AND THE CONVICTION NEVER CAME**

THE TEXAS DEPARTMENT OF INSURANCE DECIDED TO INSTITUTE "PUNISHMENT" UPON PDM PRIOR TO THE "REVOCATION" OF HIS LICENSE – WHICH DID NOT HAPPEN – CAUSING MORRIS FINANCIAL LOSS BY (1) KNOWINGLY MAKING IT IMPOSSIBLE FOR PDM TO REMAIN IN BUSINESS UNTIL THE COMMISSIONER MADE HIS DECISION (2) BY REFUSING TO ISSUE THE RENEWAL LICENSE (3) KNOWING THAT THE LAW REQUIRES ALL INSURANCE COMPANIES DOING BUSINESS WITH AN AGENT TO MAINTAIN A CURRENT COPY OF THE AGENTS LICENSE IN THEIR FILES (4) AND LATER BY SENDING LETTERS TO ALL THE COMPANIES PDM HAD AGREEMENTS WITH LETTING THEM KNOW THAT HIS LICENSE WAS "SUSPENDED" WHILE ACTING AS IF THAT HAD THE SAME EFFECT AS "REVOCATION." PDM'S LICENSE WAS NOT REVOKED BY THE COMMISSIONERS ORDER BUT THE DAMAGE HAD ALREADY BEEN DONE BY THE TDI REFUSING TO ISSUE THE RENEWAL LICENSE ... WHICH WAS ILLEGAL.

4/23/1998 LETTER FROM JIM HALEY

2/1/1999 LETTER FROM FARMERS INSURANCE

5/19/1998 LETTER FROM GOLDEN RULE INSURANCE

4/17/98 LETTER FROM TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION



## Texas Department of Insurance

333 Guadalupe Street P.O. Box 149104 Austin, Texas 78714-9104  
512/463-6169

April 23, 1998

Mr. Phillip Debbs Morris  
3700 Forums Drive, Suite 209  
Flower Mound, Texas 75028

Re: License Renewal

Dear Mr. Morris:

I am in receipt of facsimile transmittals dated April 21 and 23, 1998. These transmittals raise two issues.

The first is your request that someone else be assigned to the case regarding your application for license renewal. At this time, I continue to be assigned to that case and there is no current plan to change that assignment.

The second issue is your expressed concern that the decision of the Texas Department of Insurance staff to defer a final determination on your renewal application somehow impairs your ability to work as an insurance agent. The exact words in your April 23 fax are, "Failure to issue the license renewal in effect terminates my ability to work as an insurance agent and violates my right to due process prior to any revocation of my license". This interpretation of due process law is not correct.

As I explained in our telephone conversation of April 21, 1998, you may continue to operate under the license as long as you applied for a renewal on or before the expiration date of your existing license. (I am confident that if you consult the tape recording you made of that conversation, you will find my explanation of that point to be very clear and unequivocal.) This is clearly set forth in the language of Section 2001.054 of the Government Code. You may continue to operate under that authority until the Commissioner of Insurance renders a decision which revokes that authority. One way he could do that is to issue a decision to specifically deny your renewal application.

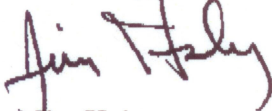
In your case, the same result could take effect if the Commissioner issues an order in the pending administrative hearing which revokes that license. Under those circumstances, the renewal application would be moot. That is, there would be nothing to renew. At this time, no one knows what the Commissioner will decide in that case. To issue a renewal

while waiting for that decision, when the law clearly protects your ability to continue doing business during that period, simply contravenes the dictate of common sense.

If you encounter a suggestion from any of your appointing companies that you are prohibited from doing business because the TDI has not yet rendered a final determination on the renewal application, I suggest you refer them to Section 2001.054 of the Government Code, and suggest that they consult with their lawyers to verify my interpretation of the law.

In short, your ability to do business is not terminated or otherwise impaired without a decision of the Commissioner of Insurance. I hope this puts your mind at ease.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jim Haley", written in a cursive style.

Jim Haley

Team Leader, Agent Enforcement  
Texas Department of Insurance

## Golden Rule®

May 19, 1998

PHILLIP D MORRIS  
FIRST INTERSTATE BK  
PO BOX 271320  
FLOWER MOUND TX 75027-1320

Dear Phillip D Morris:

Several weeks ago we requested a current copy of your life and health license for the state of TEXAS. To date, we have not received a current copy of your license.

Since you have not responded to our request, your association with Golden Rule in the state of TEXAS will be terminated JUNE 19, 1998.

If TEXAS is your resident state, your CONTRACT with Golden Rule will also be terminated on JUNE 19, 1998. If you hold a nonresident TEXAS license, your resident and additional nonresident affiliations with Golden Rule will not be terminated.

If you have any questions regarding this matter, you may contact our Sales Service Division at (618) 943-8000, extension 5200.

3027

Sincerely,

*Virginia Koenig*  
Virginia Koenig, Supervisor  
Licensing Department

585309991

Golden Rule Insurance Company

Home Office  
712 Eleventh Street  
Lawrenceville, Illinois 62439-2395  
☎ (618) 943-8000

TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION  
P.O. Box 18447  
Austin, Texas 78760

ATTN: Jim Hawley

April 17, 1998

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MORRIS, PHILLIP D.  
3700 FORUMS #209  
FLOWER MOUND, TX 75028

RE: NOTICE OF LICENSE RENEWAL

Dear Producer:

Our records indicate that we have not received a copy of your Texas Department of Insurance (TDI) agent's license renewal.

Although you may have renewed your license through TDI, a copy of that license must be forwarded to TAIPA in order to maintain your certification status through our office.

Your attention to this matter is appreciated.

This memo serves as notice that should we fail to receive a copy of your license renewal, your certification status will automatically become "uncertified". As an "uncertified" producer you will be precluded from transacting ANY business through TAIPA on behalf of any applicant.

You may FAX your license renewal to my attention @ 512/444-7639.

Please also indicate your TAX ID or Social Security Number on your license so that we may update our records.

Feel free to contact me if you have any question or comments regarding this or any other assigned risk matter.

Sincerely,

Michael Alder,  
Producer Certification Unit Supervisor

HARVEST INSURANCE AGENCY

Fax : 2142790416

Fax : 9723558214

May 04 '06 08:14

Feb 10 '99 13:25



## FARMERS INSURANCE GROUP OF COMPANIES

*Faxed 2/1/99*

February 1, 1999

PO BOX 149044  
AUSTIN, TEXAS 78714-9044

Phil Morris  
3700 Forums Drive, Suite 113  
Flower Mound, Texas 75028

Subject: February, 1999 Folio

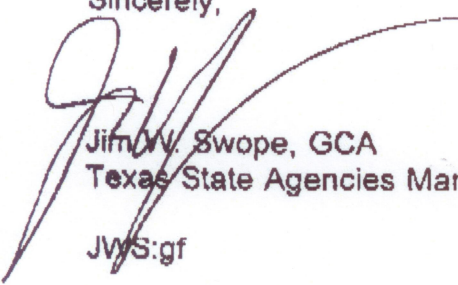
Phil,

This will acknowledge receipt of your fax of January 30, 1999. This fax requested disbursement of your folio by electronic transfer for any amount that may be due you on 2/1/99. The Farmers Insurance Group of Companies interprets Article 21.07 that any commissions paid by this Company are not to be released to an Agent without a license.

Currently we were withholding commissions because of your suspended license. Therefore, please be aware that there will not be an electronic transfer of funds. Once this matter is concluded we will review it at that time and advise.

If you have any questions, please don't hesitate to call.

Sincerely,



Jim W. Swope, GCA  
Texas State Agencies Manager

JWS:gf

c: John P. Hageman, CPCU, GCA