



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

NOTICE OF FINE

May 12, 2022

Kathleen B. Hunt
DC-ECP, LLC
3908 Wildwood Street
Eules, TX 76040

Article # 7020 0640 0001 4919 5532

Kathleen B. Hunt
DC-ECP LLC
1125 Bedford Road, Ste. B
Bedford, TX 76022

Article # 7020 0640 0001 4919 5525

Kathleen B. Hunt
9450 Highway 65 South
Lake Providence, La 71254

Article # 7021 2720 0002 0321 4108

Email: kathleen@personalizedpayroll.com
kathleenhunt@tx.rr.com

Dear Kathleen B. Hunt:

WHEREAS, IT HAS COME TO MY ATTENTION, as Commissioner of Insurance, (Commissioner) of the Louisiana Department of Insurance (LDI), that the Professional Employer Organization (PEO), DC-ECP, LLC, has violated certain provisions of the Louisiana Insurance Code, Title 22, La. R.S. 22:1 et seq. Accordingly, pursuant to the power and authority vested in me as the Commissioner, I issue this Notice of Fine based on the following, to wit:

DC-ECP, LLC (DC) is a Professional Employer Organization (PEO) that originally registered with the Louisiana Department of Insurance (LDI) on February 13, 2015, and the registration expired on February 13, 2016. To date, DC's registration has not been renewed. You registered one branch office located at 9450 Highway 65 South, Lake Providence, LA 71254, and it continues to conduct business. There is an application pending, dated August 18, 2021, however, DC has continued to conduct business as a PEO despite there being no valid registration with the LDI since 2016, in violation of the Louisiana Insurance Code.

During DC efforts to complete registration requirements for another regulating body, the Louisiana Workforce Commission (LWC), it was discovered that the LDI registration also expired on February 13, 2016, and was never renewed. DC produced correspondence, allegedly from the LDI and dated March 10, 2019, purporting to confirm that its PEO renewal was effective for the

period of 2/16/20 through 2/16/2021, in contradiction to LDI records that a registration was never renewed after the initial 2015 submission that expired February 13, 2016, and that the only renewal application on file was the current one submitted on August 18, 2021.

The LDI determined that the March 10, 2019, letter was an alteration of a March 9, 2015, letter from the LDI to DC. The alterations to the letter were made using a different font, the letter bears a different date, the renewal period was modified, and the signature appears to be a forged signature of a former LDI employee that retired in 2015.

On October 1, 2021, the LDI issued a Notice of Proposed Regulatory Action and Wrongful Conduct, requesting that you (a) respond to the allegations of fraud, (b) explain how you came into possession of the March 10, 2019 fraudulent correspondence, (c) identify the person who manufactured the March 10, 2019 correspondence and provide his/her contact information, (d) produce the original of the fraudulent document in question to the LDI, (e) discuss why DC has not renewed its PEO registration since expiration in 2016, (f) explain why DC's conduct of business operations without a valid registration since 2016 should not be deemed a violation of the Louisiana Insurance Code, (g) disclose the PEO Services Agreements and clients that DC has had since the expiration of its registration as of February 14, 2016, and (g) provide any documentation in your possession that contradicted the allegations or supported your response to the notice.

Your response, dated October 28, 2021, admitted to conducting business as a PEO with an expired registration for five (5) years, since February 13, 2016, for one client, East Carroll Parish Sheriff's Department. You explained that the failure to renew the registration was an oversight, and that you began the process of renewing the registration upon receipt of LWC correspondence alerting you of both the LDI and LWC registration expirations. You filed the license renewal application on August 18, 2021. You stated that you didn't know how you came into possession of the March 10, 2019, fraudulent LDI letter, and that DC retained two (2) IT experts to scan your computer to identify the origins of the fraudulent document – to no avail.

La. R.S. 22:2(A) provides:

§2. Insurance regulated in the public interest

A. (1) Insurance is an industry affected with the public interest and it is the purpose of this Code to regulate that industry in all its phase. ...It shall be the duty of the commissioner of insurance to administer the provisions of this Code.

La. R.S. 22:18 maintains in pertinent part:

§18. Suspension or revocation of insurers' licenses; fines; orders

A. The commissioner of insurance may, as a penalty, in accordance with R.S. 49:961, refuse to renew, or may suspend, or revoke the certificate of authority or license of any insurer, person, or entity violating any of the provisions of this Code, or in lieu of suspension or revocation of a certificate or license duly issued, the commissioner may levy a fine not to exceed one thousand dollars for each violation per insurer, person, or entity, up to one hundred thousand dollars aggregate for all violations in a calendar year per insurer, person, or entity, when such

violations warrant the refusal, suspension, or revocation of such certificate or license, or the imposition of the fine. The commissioner is also authorized to order any insurer, person, or entity to cease and desist any such action that violates any provision of this Code.

La. R.S. 22:1748 maintains in pertinent part:

§1748. Registration

Each person operating in this state as a PEO shall have on file with the department a statement, on a form to be prescribed by the department, of its name, its registered address, the address of its principal business establishments inside and outside this state, its telephone and facsimile number, the form of business entity it has assumed, the state of its incorporation or other organization, the name of a principal contact person, and the names and addresses of all controlling persons. Such statements shall be renewed annually. The department shall maintain such statements and make them available to the public as any other public document. The department may charge such a fee on submission of such statements as is necessary to cover the costs in receiving and maintaining them, not to exceed five hundred dollars for the initial registration and three hundred dollars for annual renewals.

La. R.S. 22:1749 maintains in pertinent part:

§1749. Enforcement

The provisions of this Part may be enforced by the commissioner pursuant to R.S. 22:1967 through 1970 and other applicable provisions of this Title.

La. R.S. 1964 maintains in pertinent part:

§1964. Methods, acts, and practices which are defined as unfair or deceptive

The following are declared to be unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

- (12) Any violation of any prohibitory law of this state.

La. R.S. 22:1967 maintains in pertinent part:

§1967. Power of commissioner of insurance

The commissioner of insurance shall have power to examine and investigate the affairs of every person engaged in the business of insurance, including violations of R.S. 22:1902 et seq., in order to determine whether such person has been or is engaged in any unfair method of competition or in any unfair or deceptive act or practice prohibited by this Part.

LA. R.S. 22:1969 maintains in pertinent part:

§1969. Violations, penalties

- A. If, after receiving the person's answer or response or if no answer or response is received

within twenty days of receipt of mailing, faxing, or delivery of the notice, the commissioner shall determine the person charged has engaged in an unfair method of competition or an unfair or deceptive act or practice, he shall reduce his findings to writing and shall issue an order to be served upon the person charged with the violation a copy of such findings and an order requiring such person to cease and desist from engaging in such method of competition, act, or practice and order any one or more of the following:

(1) Payment of a monetary penalty of not more than one thousand dollars for each and every act or violation, but not to exceed an aggregate penalty of one hundred thousand dollars unless the person knew or should have known he was in violation of this Part, in which case the penalty shall be not more than twenty-five thousand dollars for each and every act or violation, but not to exceed an aggregate penalty of two hundred fifty thousand dollars in any six-month period.

(2) Suspension or revocation of the license of the person if he knew or reasonably should have known he was in violation of this Part.

VIOLATION(S)

Failing to maintain the Professional Employment Organization (PEO) registration for the period of 2016 through 2021 constitutes a violation of La. R.S. 22:1748 and La. R.S. 22:1964(12).

BE ADVISED:

COMMISSIONER'S ACTION:

As a result of the investigation and documentation in hand, the Louisiana Commissioner of Insurance, in accordance with La. R.S. 22:1969 and La. R.S. 49:961, hereby serves you notice that **Louisiana Registration License Number 454500** issued to **DC-ECP, LLC**, is hereby **FINED FIVE THOUSAND DOLLARS (\$5,000.00)**, and you are ordered to pay the full amount immediately.

YOUR ACTION:

Be advised that this constitutes an administrative action and that it will be reported to the National Insurance Producer Registry (NIPR). Be further advised that all actions taken on licenses, in accordance with La. R.S. 49:961 (C) and Regulation 120, shall take effect (10) calendar days from the date of issuance of the notice of regulatory action, unless otherwise provided in Title 22, and that cease & desist orders and summary suspension actions take effect immediately upon issuance. Please also take note that you may need to report this administrative action to other states in which you hold an active license. Contact that state's insurance department if you are unsure of the requirements.

Pursuant to La. R.S. 22:2191(A)(2), any person aggrieved by an act of the Commissioner may request a hearing. You must make a written demand for an appeal within thirty (30) days from the date of this notice. Failure to file a written demand for an appeal within thirty (30) days of this notice will preclude your right to an administrative hearing.

Pursuant to La. R.S. 22:2191(B), your written demand for an appeal (1) shall reference the particular sections of the statutes and rules involved; (2) shall provide a short and plain statement of the matters asserted for review; and (3) shall attach a copy of the order or decision that you are appealing. Appealing this notice does not stay the action of the Commissioner of Insurance. Pursuant to La. R.S. 22:2204 you must request and be granted a stay of this action by the Division of Administrative Law. Your request for a stay may be included in your appeal. Your written demand for an appeal shall be filed with the Louisiana Department of Insurance at the addresses below:

Louisiana Department of Insurance
Attn: David Caldwell, Executive Counsel
P.O. Box 94214
Baton Rouge, LA 70804-9214
Telephone: (225) 342-4673
Fax: (225) 342-1632

File in Person at:
1702 N. Third Street
Baton Rouge, LA 70802

Please remit your \$5,000.00 fine payment and a copy of this notice to:

Louisiana Department of Insurance
Attn: Accounts Receivable
P.O. Box 94214
Baton Rouge, LA 70804-9214

Signed in Baton Rouge, Louisiana this 12th day of May, 2022.

JAMES J. DONELON
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

BY:



Nathan Strebeck
Deputy Commissioner
Divisions of Fraud & Enforcement
Louisiana Department of Insurance
Telephone: (225) 219-5819

CERTIFICATE OF SERVICE

Article No.:7020 0640 0001 4919 5532

Article No.: 7020 0640 0001 4919 5525

Article No.: 7020 2720 0002 0321 4108

I hereby certify that I have this day served the foregoing document upon DC-ECP, LLC by mailing a copy thereof properly addressed with postage prepaid, this 12th day of May,2022.

Takiyah Banks

Takiyah Banks