

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
P.O. BOX 110805
JUNEAU, ALASKA 99811-0805
PHONE: (907) 465-2515 • FAX: (907) 465-3422
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STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
)
MELISSA MARIE DELEON)
)
Insurance Licensee)
)
)

Division of Insurance Case No. D 21-09

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (DOI) and Melissa Marie DeLeon (DeLeon) the insurance licensee in this case, stipulate and agree to the following:

I. BACKGROUND

- A. On December 1, 2015, the Division of Insurance (division) issued DeLeon license number 59193.
- B. DeLeon's insurance producer license was not timely renewed and expired on May 31, 2021, for failure to renew.
- C. On August 17, 2021, the division received a complaint from Alaska consumer Cynthia Hilton (Hilton) alleging DeLeon failed to properly disburse funds from a real estate transaction that was conducted at the offices of DeLeon's business, Capital Title and Escrow, LLC on June 5, 2021.

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1 D. The DOI opened investigation I21.1935 AF into DeLeon's actions concerning
2 those allegations.

3 E. DOI's investigation revealed:

4 (i) On January 19, 2021, DeLeon submitted to the division an insurance firm
5 license application for Capital Title and Escrow, LLC (Capital).

6 (ii) In its review of the firm application for Capital, the DOI noted that Dain
7 Hungelman (Hungelman) and DeLeon were each listed as being 50% owners of
8 Capital.

9 (iii) The division noted that Hungelman had a prior criminal history, which
10 included felony convictions for crimes that are considered crimes of moral turpitude.

11 (iv) On February 16, 2021, DeLeon was advised by the division that due to his
12 past criminal convictions, Hungelman could not be associated with Capital without a
13 1033 Waiver being on file.

14 (v) On April 15, 2021, DeLeon submitted a modified insurance license
15 application to the division's licensing section for the firm license of Capital, in which
16 Hungelman was no longer identified as being affiliated with Capital.

17 (vi) DeLeon submitted documentation, which included an Alaska Corporations
18 Section form #08-491 entitled "Notice of Change of Officials-Domestic Limited
19 Liability Company (AS10.50)" that indicated Hungelman was removed from the
20 company records and that Melissa DeLeon was listed as being 100% owner and sole
21 member for Capital. The application indicated Hungelman was not affiliated with the
22 operation of Capital.
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1 (vii) On August 25, 2021, during an interview with DOI investigators, DeLeon
2 advised that due to the large amount of business transactions she was conducting, she
3 had failed to timely pay off the mortgage that Hilton had referenced in her complaint.

4 (viii) DeLeon advised she reimbursed Hilton a total of \$3,374.46, that was the
5 result of interest charges and other fees being charged to the mortgage on the property
6 in question.

7 (ix) DeLeon acknowledged that the Alaska Corporations Section form #08-491
8 entitled "Notice of Change of Officials-Domestic Limited Liability Company
9 (AS10.50)" that she submitted to the DOI on April 15, 2021 indicating Hungelman
10 was no longer affiliated with Capital, was never filed with the Alaska Corporations
11 Section. Thus, Hungelman was never removed from the record as being associated
12 with Capital.

13 (x) Regarding her individual Title Insurance Limited Producer license #59193,
14 DeLeon advised that she thought it would expire in 2022.

15 (xi) DeLeon advised she was not aware that her individual license had expired
16 on May 31, 2021.

17 (xii) DeLeon advised she left her copy of her insurance license with her
18 previous employer and did not know its exact expiration date.

19 (xiii) DeLeon advised she had not updated her contact information on file with
20 the division as is required.

21 (xiv) On August 30, 2021, DeLeon submitted a Business Transaction Form as
22 part of the process to renew her expired insurance license. The Business Transaction
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1 Form showed that she conducted the business of insurance while her insurance license
2 was expired, resulting in fifty-six (56) title insurance policies being issued and her
3 receiving a total sales commission of \$43,991.00 during the time her insurance license
4 was expired.

5 F. DeLeon's actions reflected in paragraph (E) constitute violations of AS
6 21.27.020(b)(4) (licensee shall be a trustworthy person), AS 21.27.010(a) and (b) (license
7 required), and AS 21.27.025 (required notice of licensee).

8 G. The director, under AS 21.27.410(a) or AS 21.27.440(a)(3), may suspend or revoke a
9 license for a violation of AS 21, for conduct considered by the director to reflect
10 incompetence or untrustworthiness, or to be a source of potential injury or harm to the
11 public, and for engaging in unfair or fraudulent insurance transactions.

12 H. The director, under AS 21.27.410(a) or AS 21.27.440(a)(3), may suspend or revoke a
13 license for a violation of AS 21, including that a person may not act as or represent to be
14 an insurance producer, managing general agent, reinsurance intermediary broker,
15 reinsurance intermediary manager, surplus lines broker, or independent adjuster in this
16 state or relative to a subject resident, located, or to be performed in this state unless
17 licensed.

18 I. The director, under AS 21.27.410(a) or AS 21.27.440(a)(3), may suspend or revoke a
19 license for a violation of AS 21 including that a licensee shall notify the director in
20 writing not later than 30 days after a change in residence, place of business, legal name,
21 fictitious name or alias, mailing address, electronic mailing address, telephone number, or
22 compliance officer.
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1 J. The director, under AS 21.27.440(a)(2), may impose a civil penalty of not more than
2 \$10,000 for each violation or a civil penalty of not more than \$25,000 for each violation,
3 if the director determines that the person willfully violated the provisions of AS 21.27.
4

5 II. TERMS OF AGREEMENT

6 1. DeLeon stipulates and agrees

7 (i) that the conduct described in paragraph E above constitutes a violation of
8 Alaska law, including AS 21.27.010(a), and that it is appropriate that the director not
9 renew insurance producer license number 59193, currently in Expired status, effective
10 as of the date this order is signed by the director;

11 (ii) that DeLeon pay a total fine of \$43,991.00 with \$21,995.00 suspended at this
12 time, leaving a balance due of \$21,996.00 on the date this order is signed by the
13 director;

14 (iii) that her Alaska insurance license #59193 will be under a state of probation
15 until May 31, 2023;

16 (iv) that in the event DeLeon violates the terms of this agreement during the
17 probationary license period, DeLeon will be subject to all sanctions authorized by the
18 state's insurance laws including imposition of a civil penalty under AS 21.27.440(a)
19 and reinstatement of any suspended penalties;

20 (v) that DeLeon will not allow Dain Hungelman to have a role in the operation of
21 the insurance business named Capital Title and Escrow, LLC unless Hungelman
22 receives a valid Alaska insurance license; and
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(vi) that DeLeon waives her right to a hearing and enters into this agreement voluntarily with full knowledge of all rights she may have in this matter.

(viii) DeLeon understands that this agreement is not binding on the parties unless and until the director signs the order adopting this agreement.

(ix) DeLeon further understands that this agreement resolves the civil liability issues between the parties to this agreement related to her violations of the state's insurance laws.

DATED: 11/19/2021

DIVISION OF INSURANCE

By: Althea Tan

Althea Tan

Insurance Licensing Examiner II

DATED: 11/18/2021

MELISSA MARIE DELEON

By: Melissa M. DeLeon

Melissa Marie DeLeon

Approved as to form and content:

DATED: 11/23/2021

TREG R. TAYLOR

ATTORNEY GENERAL

By: Erin Egan

Erin Egan

Assistant Attorney General

Melissa Marie DeLeon
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ORDER

IT IS ORDERED that insurance producer license number 59193 issued to Melissa Marie DeLeon is hereby under PROBATION until May 31, 2023 by the director of DOI.

IT IS FURTHER ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the civil liability issues between the parties to this agreement in these cases and shall constitute the final order in these matters.

DATED this 23 day of Nov, 2021.



Lori K. Wing-Heier
Director, Division of Insurance

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