



SOUTH DAKOTA
DEPT. OF **LABOR**
& **REGULATION**

DIVISION OF INSURANCE

Tel: 605.773.3563 | Fax: 605.773.5369 | dlr.sd.gov/securities

October 17, 2022

SENT VIA FIRST CLASS MAIL & CERTIFIED MAIL

Philip Mercado
15811 Ironside Creek Drive
Houston, TX 77053-3412

RE: Application for Insurance Producer License

Mr. Mercado,

This letter is to notify you that your application for licensure as an insurance producer in South Dakota has been denied. The reason for the denial is as follows:

You first submitted an application to the South Dakota Division of Insurance ("Division") in 2018 and your application was denied. You submitted the current application for an individual insurance producer license to the Division on August 4, 2022. You answered "yes" regarding questions about criminal history, administrative actions, and felonies. The Division conducted an investigation of your application and identified nine administrative actions dating to 2018, including your previous South Dakota denial in 2018. Insurance regulators in Virginia, North Dakota, Louisiana, Georgia, Indiana, Missouri, and Texas have previously taken actions. You provided an extended criminal history, including multiple charges for drugs, sale of bootleg materials like DVDs and CDs, and assault that resulted in incarceration. You were the subject of a felony drug case and received a deferred adjudication, but a felony case involving distribution of marijuana and illegal bootlegging of CDs caused a 14-month incarceration. As recently as 2020 you were charged with commercial illegal dumping.

Based on the above information, your application is denied under SDCL 58-30-167(1), (2), (6), (8), and (9) for providing incorrect, misleading, incomplete, or materially untrue information in the license application; violating any insurance laws or rules, subpoena, or order of the director or of another state's insurance director, commissioner, or superintendent; using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere; and having an insurance producer license denied, suspended, or revoked in any other state.

Please note that this denial is considered an administrative action which will be reported to the database maintained by the National Association of Insurance Commissioners. If an administrative action occurs, an insurance producer may be required to report the action to any and all states in which an insurance license is held and in accordance with the timeframes and requirements of each state.

Pursuant to SDCL 58-30-168, you may make a written request to the Division of Insurance within thirty days of the date of this denial for a hearing to determine the reasonableness of this decision to deny your application for licensure.

Sincerely,

Tony Dorschner
Assistant Director Producer Licensing
South Dakota Division of Insurance