

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

FILED
JUN 23 2014
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
JEANETTE RACHELLE CLARK, a licensed)
insurance producer,)
)
Respondent.)

Case No. 14-0270-DIS

FINAL ADMINISTRATIVE ORDER

This matter is a disciplinary proceeding under the Oklahoma Producer Licensing Act. 36 O.S. §§ 1435.1 et seq. The Oklahoma Insurance Department ("OID") issued an Administrative Order of Revocation Instanter (Case No. 14-0270-DIS) on March 13, 2014 alleging that Jeanette Rachelle Clark ("Respondent") violated several provisions of the Oklahoma Producer Licensing Act.

Respondent requested an administrative hearing and the hearing was held before the undersigned Hearing Examiner on June 17, 2014. Petitioner appeared by counsel Barron B. Brown. Respondent failed to appear. Witnesses were sworn and testified, exhibits were presented and argument of counsel heard.

JURISDICTION

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.

2. Respondent is a licensed by the State of Oklahoma as a resident insurance producer holding license number 0100182991. Her address of record with the OID is 505 SE 14, Pryor, Oklahoma 74361.

3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Oklahoma Producer Licensing Act and/or may levy a fine up to \$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code, 36 O.S. § 1435.13(A) and (D).

FINDINGS OF FACT

1. Respondent applied for a resident insurance producer license on or about January 2, 2014 with the Oklahoma Insurance Department (OID).

2. On the application form, the first question asks the following: "Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?" Respondent answered "no" to this question.

3. The OID Licensing Division ("Licensing") subsequently found that Respondent had previously plead guilty to a criminal misdemeanor charge in the State of Oklahoma for obtaining merchandise by false and bogus check on 11/08/2006 (Mayes County, Case No. CM-2006-00274).

4. Respondent did not disclose this prior guilty plea to a criminal misdemeanor charge on her application.

5. On February 7, 2014, the OID Legal Division issued a Conditional Administrative Order ["Order"] (Case No. 14-0073-DEN) fining Respondent for an alleged violation of 36 O.S. § 1435.13(A)(1), for "[providing] incorrect, misleading, incomplete or materially untrue information in the license application."

4. The Order was sent via certified mail and the OID was notified that Respondent received it on February 11, 2014.

5. After receiving the Order, Respondent submitted payment of the fine to the OID. Following receipt of payment, the OID issued Respondent's resident insurance producer license on or about February 14, 2014.

6. On or about March 10, 2014, the OID Legal Division received an investigation report from an OID Fraud investigator revealing that, on April 29, 2009, Respondent plead guilty in the United States District Court for the Western District of Arkansas (Case No. 5:08CR50073-001) to a federal criminal felony charge of making false refund claims to the Internal Revenue Service ("IRS").

7. Respondent was sentenced to 12 months and one day imprisonment in the U.S. Bureau of Prisons followed by 3 years supervised release under the Office of U.S. Probation and Parole. On or about December 5, 2012, an arrest warrant was issued in the Western District of Arkansas Respondent regarding a violation of the terms of Respondent's probation and on or about December 10, 2012, Respondent was arrested by U.S. Marshals in the Northern Judicial District of Oklahoma and transported to the Western District of Arkansas.

8. Following Respondent's arrest, a superseding warrant request was filed for revocation of supervisory release. Respondent's supervised release was revoked and she was sentenced to seven months imprisonment at the Federal Prison Camp in Bryan, Texas. Respondent received an additional 2 years of supervised release following her imprisonment term.

9. Respondent is currently under the supervision and jurisdiction of the Office of U.S. Probation and Parole.

10. Respondent failed to disclose this federal felony conviction on the January 2, 2014 license application.

11. 36 O.S. § 402(A), provides “[no] person who has been convicted of any criminal felony involving dishonesty or a breach of trust, or who has been convicted of an offense under Section 1033 of Title 18 of the United States Code, shall engage or participate in the business of insurance in this state or do any of the acts of an insurance business as set forth in Section 4 of this act.”

12. Respondent’s criminal felony conviction for making false refund claims to the IRS is a crime involving dishonesty and/or breach of trust. Accordingly, pursuant to 36 O.S. § 402(A) and (B), Respondent is prohibited from engaging or participating the business of insurance in Oklahoma without the written consent of the Insurance Commissioner.

9. Due to Respondent failure to disclose her prior felony conviction, Respondent obtained her resident insurance producer license through fraudulent means.

CONCLUSIONS OF LAW

1. Respondent violated 36 O.S. § 1435.13(A)(1) by providing incorrect, misleading, incomplete or materially untrue information in the license application.

2. Respondent violated 36 O.S. § 1435.13(A)(3) by obtaining or attempting to obtain a license through misrepresentation or fraud.

3. Respondent violated 36 O.S. § 1435.13(A)(6) because she was previously convicted of a felony.

4. Respondent violated 36 O.S. § 402(A) by engaging or participating in the business of insurance in this state after having been convicted of a felony involving dishonesty and/or breach of trust.

ORDER

IT IS THEREFORE ORDERED THAT RESPONDENT'S RESIDENT INSURANCE PRODUCER LICENSE IS HEREBY REVOKED, THE TWO THOUSAND DOLLAR FINE (\$2,500.00) INITIALLY LEVIED IN ADMINISTRATIVE ORDER OF REVOCATION INSTANTER CASE NO. 14-0270 IS IMPOSED AND RESPONDENT IS FURTHER ORDERED TO PAY THE COSTS OF THIS PROCEEDING IN THE AMOUNT OF ONE HUNDRED AND TWENTY-FIVE DOLLARS (\$125.00).

Done this 18th day of June, 2014.



Stephan Mathis
STEPHAN MATHIS
INDEPENDENT HEARING EXAMINER
OKLAHOMA INSURANCE DEPARTMENT

CERTIFICATE OF MAILING

I, Barron B. Brown, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by via certified mail with postage prepaid and return receipt requested on this 23rd day of June 2014 to:

Jeanette Rachelle Clark
505 SE 14
Pryor, OK 74361

CERTIFIED MAIL NO: 7001 0320 0004 4248 3149

and that notification was sent to:

NAIC/RIRS

and a copy was delivered to:

Licensing Division

Anti-Fraud Division



Barron B. Brown
Assistant General Counsel

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee
(Endorsement Required)
Restricted Delivery Fee
(Endorsement Required)
Total Postage & Fees \$

Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

Jeanette Rachelle Clark
505 SE 14
Pryor, OK 74361
14-0270-DIS/BBB(mt)
Fin.Adm.Ord.



PS Form 3800, January 2001

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Jeanette Rachelle Clark
505 SE 14
Pryor, OK 74361
14-0270-DIS/BBB(mt)
Fin.Adm.Ord.

2. Article Number

(Transfer from service label)

7001 0320 0004 4248 3149

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Jeanette Clark

☐ Agent
☐ Addressee

B. Received by (Printed Name)

Jeanette Clark

C. Date of Delivery

06-26-14

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes