

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

**STATE OF OKLAHOMA, ex rel. JOHN
D. DOAK, Insurance Commissioner,**)
)
)
Petitioner,)
)
v.)
)
REGAL DISCOUNT SECURITIES,)
a non resident producer firm,)
)
Respondent.)

FILED
JAN 14 2011
INSURANCE COMMISSIONER
OKLAHOMA
Case No. 11-0010-DIS

**CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD**

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, by and through his attorney, Julie Meaders, and alleges and states as follows:

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 licensed as a non resident producer firm holding license 10007755. Respondent's address of record is 1400 Colonial Boulevard, Suite 14, Fort Myers, Florida 33907.
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).

ALLEGATIONS OF FACT

1. Respondent applied for renewal of its Oklahoma non-resident agency firm license 12147 in December 2010. Respondent answered “no” to the following question on its application: “Has the business entity or any owner, partner, officer or director, or manager or member of a limited liability company, been named or involved as a party in an administrative proceeding regarding any professional or occupational license, or registration, which has not been previously reported to this state?”

2. "Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, placed on probation or surrendering a license to resolve an administrative action. "Involved" also means being named as a party to an administrative or arbitration proceeding which is related to a professional or occupational license.

3. A background check showed that Regal Discount Securities has had two (2) administrative actions regarding its securities license since receiving its Oklahoma non-resident insurance license on January 2, 2009. The Producer Licensing Division found no previously reporting of these administrative actions nor any submitted documents regarding these administrative actions as the application requires: “(a) a written statement identifying the type of license, identifying all parties involved and explaining the circumstances of each incident; (b) a copy of the Notice of Hearing or other documents that states the charges and allegations; (c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.”

4. The Producer Licensing Division thereafter sent an e-mail to AKELLY@EREGAL.COM, the contact e-mail address for Regal Discount Securities,

asking for proof that Regal Discount Securities previously reported the two administrative actions. No response was received.

ALLEGED VIOLATIONS OF LAW

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

2. Respondent violated 36 O.S. § 1435.18(A); failing to report any administrative action taken against the producer in another jurisdiction within thirty (30) days of final disposition of the matter, thereby in violation of 36 O.S. § 1435.13(A)(2).

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that Regal Discount Securities is fined Two Hundred and Fifty Dollars (\$250.00) for each of the two (2) occurrences of failing to disclose an administrative proceeding, totaling **FIVE HUNDRED DOLLARS (\$500.00)**. The \$500.00 fine is to be paid immediately, made payable to the Oklahoma Insurance Department. Respondent's producer license may be renewed upon receipt of payment of the fine and reporting of the administrative actions.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondent requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing this Order. A request for hearing should be in writing addressed to Julie Meaders, Oklahoma Insurance Department, Legal Division, Post Office Box 53408, Oklahoma City, Oklahoma 73152-3408. The request for hearing must state the grounds for the request to

set aside or modify the Order.

Any such hearing shall be conducted according to the procedures for contested cases under the Insurance Code and 75 O.S. § 250-323. If the Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as notice of the matters to be reviewed at the hearing, and the Allegations of Fact, Alleged Violations of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this 14th day of January 2011.



JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA



Julie Meaders
Assistant General Counsel
P.O. Box 53408
Oklahoma City, Oklahoma 73152
Telephone: (405) 521-2746
Facsimile: (405) 522-0125

CERTIFICATE OF MAILING

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Conditional Administrative Order and Notice of Right to be Heard was mailed by certified mail, with postage prepaid and return receipt requested, on this 14th day of January, 2011, to:

Regal Discount Securities
1400 Colonial Boulevard
Suite 14
Fort Meyers, FL 33907

CERTIFIED MAIL NO. 7008 1830 0003 9410 7799

and a copy was delivered to:

Producer Licensing Division

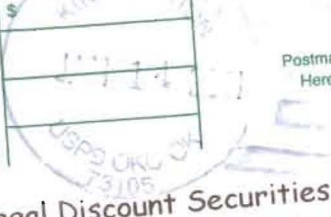


JULIE MEADERS
ASSISTANT GENERAL COUNSEL

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Sent To **Regal Discount Securities**
1400 Colonial Boulevard
Suite 14
Fort Meyers, FL 33907
(MT) 11-0010-015 Jam/Logan

PS Form 3800, August 2006 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:

Regal Discount Securities
 1400 Colonial Boulevard
 Suite 14
 Fort Meyers, FL 33907
 (att) 11-0018-015/JAM
 legal

2. Article Number
 (Transfer from service label) 7008 1830 0003 9410 7799

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent Addressee

B. Received by (Printed Name) STEVE GRABARCZYK C. Date of Delivery 1-18

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

RECEIVED
 OKLAHOMA INSURANCE DEPARTMENT
 JAN 25 2011
 Legal Division

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes