

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

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner,

 Petitioner,

v.

MARSHALL L. VIRDEN, a licensed
insurance producer,

 Respondent.

Case No. 12-0998-DIS

FILED
MAR 08 2012
INSURANCE COMMISSIONER
OKLAHOMA

FINAL ADMINISTRATIVE ORDER

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. Marshall L. Virden is a licensed Oklahoma insurance producer holding license 149843. His address of record with the Oklahoma Insurance Department is 12011 E. 115th Place N., Collinsville, Oklahoma 74021.
3. Licensees shall inform the Insurance Commissioner by any means acceptable to the Insurance Commissioner of a change of legal name or address within thirty (30) days of the change. 36 O.S. § 1435.8(F).
4. 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).

5. If the Insurance Commissioner finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S. §§ 314(C)(2), 314.1, OAC 365:1-7-9(a).

FINDINGS OF FACT

1. The Oklahoma Insurance Department (the “Department”) received an Anti-Fraud Complaint on June 29, 2011 from Richard Gless, CCO of Royal Metals Group, located in Bettendorf, Iowa. Mr. Gless stated that an Oklahoma couple named Lowell and Patricia Wolcott had contacted Royal Metals Group and communicated that their insurance agent, Marshall L. Virden, had sold them 15.2 ounces of gold through Royal Metals Group. Gless stated in his complaint that Virden was not a representative of Royal Metals Group.

2. Gless further stated that the Wolcotts told him they paid for the gold by personal check made payable to Virden and that Virden provided them with a gold certificate. Gless stated that the Wolcotts told him that Virden had previously borrowed \$1,000.00 from them and never paid back the loan.

3. On July 12, 2011, Department investigator, Jackie Johnson, telephoned Richard Gless. Mr. Gless confirmed the information in his complaint and further stated that Virden had made application to be an independent agent with Royal Metals but was denied employment. Gless emphasized to Johnson that Royal Metals deals in actual gold and does not issue gold certificates. Gless was concerned that the Wolcotts were victims of elder exploitation.

4. On July 15, 2011, Johnson interviewed Lowell and Patricia Wolcott at their residence in Broken Arrow, Oklahoma. Lowell Wolcott stated that they met Virden in 2007 and that he had previously sold them two insurance annuities. Virden then advised Wolcott to invest in gold in March 2011.

5. Virden provided a Royal Metal Group portfolio to the couple and they agreed to invest in gold on April 29, 2011. That same date, Lowell Wolcott endorsed and gave a roll-out check from Equitrust in the amount of \$22,404.94 to Virden.

6. Patricia Wolcott contacted Virden a few weeks later after the couple failed to receive their gold. The Wolcotts thereafter received an envelope postmarked June 10, 2011, mailed from Nevada. Inside the envelope was a certificate, purportedly from Professional Worldwide Services, LLC. The document certified that Lowell Wolcott was the registered owner of 15.2 ounces of gold. The handwritten mailing label indicated that the return address was "Professional Worldwide Services, LLC, 8th Floor Reno, Nevada, 89109.

7. The Wolcotts researched the name "Professional Worldwide Services, LLC" on the Internet because Virden had never mentioned that name in previous discussions. They could not find any information that such a company existed. The Wolcotts then contacted Royal Metals for confirmation of their investment and were told that Virden was not a Royal Metals representative.

8. The Wolcotts attempted to contact Virden and received no response. On June 29, 2011, they emailed Virden inquiring as to why he had failed to respond. He answered on the same date "I will be back in town next Wednesday and I can check in with you....I have some family issues...the value is \$22,982.00. I received a call from Royal Metals but did not buy it there. We got a better price elsewhere". When the Wolcotts never heard from Virden after this email, they emailed him again on July 14, 2011 telling him that they were still waiting to see or talk to him

about the gold. Virden responded that he would request a statement but that he was really busy with business and family.

9. During Johnson's interview with the Wolcotts, they stated that previous to the gold investment, Virden had borrowed \$1,000.00 from them on July 21, 2010. Virden had signed a promissory note and agreed to pay back the principle plus interest one year from the date of the loan.

10. Johnson learned that the meter number on the return label of the envelope containing the gold certificate was registered to a UPS store in Las Vegas, Nevada. Personnel at the UPS store stated that they did not have a box holder by the name of Professional Worldwide Services, LLC. The UPS store allowed any walk-in customer to pay for postage and the store applied the postage with the store's meter rather than using stamps.

11. On August 8, 2011, Johnson obtained a copy of the Wolcott's Equitrust check in the amount of \$22,404.94 and learned that the check was deposited into Marshall Virden's bank account #89770103 at Chase Bank in Tulsa, Oklahoma on May 2, 2011.

12. Lowell Wolcott sent an email to Virden on August 18, 2011 stating they needed some of their money and requesting the contact number for Professional Worldwide Services, LLC. No response was received. On August 23, 2011, Lowell Wolcott sent another email to Virden demanding his money back. No response was received. The \$22,404.94 investment and the loan of \$1,000.00 have never been repaid.

CONCLUSIONS OF LAW

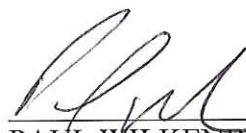
1. Marshall L. Virden violated 36 O.S. § 1435.13(A)(8) by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that the **Emergency Order of Suspension Instante**r entered in this matter on February 3, 2012 is a **FINAL ADMINISTRATIVE ORDER**, that no hearing was requested and Respondent's license is hereby **REVOKED**. In accordance with 36 O.S. § 1435.13(D), Virden is **FINED ONE THOUSAND DOLLARS (\$1,000.00)** for borrowing money from his client and failing to repay the money; and **ONE THOUSAND DOLLARS (\$1,000.00)** for fraudulently soliciting his clients to invest in non-existent gold, totaling a fine of **TWO THOUSAND DOLLARS (\$2,000.00)**, payable within thirty (30) days from the date of receipt of this order.

WITNESS My Hand and Official Seal this 27th day of March, 2012




PAUL WILKENING
DEPUTY INSURANCE COMMISSIONER
STATE OF OKLAHOMA

CERTIFICATE OF MAILING

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by certified mail with postage prepaid and return receipt requested on this 8th day of March, 2012, to:

Marshall L. Virden
12011 E. 115th Place North
Collinsville, OK 74021

CERTIFIED MAIL NO: 7008 1830 0003 9411 8979

and that notification was sent to:

NAIC/RIRS

and that a copy was delivered to:

Brandon Cain/Licensing Division

and

Jimmy Smith/Jackie Johnson
Investigations Division



Julie Meaders

7008 1830 0003 9471 8979

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12011 E. 115th Place North
Collinsville, OK 74021

12-0998-DIS/JAM(mt)Fin.Adm.Ord.



PS Form 3800, August 2006

See Reverse for Instructions