

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

FILED

SEP 25 2013

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner,)
)
Petitioner,)
v.)
)
PEOPLE’S COOPERATIVE)
FUNERAL HOME)
)
Respondent.)
)
)
Prepaid Funeral Benefits Permit 863200)

Case No. 13-0898-DIS

**NOTICE OF RIGHT TO HEARING WITH CONDITIONAL ORDER OF
DISCIPLINARY ACTION**

The State of Oklahoma, ex rel., John D. Doak, Insurance Commissioner, alleges and states as follows:

JURSDICTION AND AUTHORITY

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma (“the Insurance Commissioner”) and, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., including the Prepaid Funeral Benefits Act: 36 O.S. §§ 6121-6136.18.

2. The Respondent, People’s Cooperative Funeral Home (“the Permit Holder”) is a permitted provider of Prepaid Funeral Benefit Contracts in the State of Oklahoma and holds Permit Number 863200.

3. The Insurance Commissioner may censure a Permit Holder, suspend or revoke a prepaid funeral benefits permit or impose a fine in the amount of from \$100 to \$1,000 -- or

impose a combination of such disciplinary actions -- if a Permit Holder violates any provision of the Prepaid Funeral Benefits Act. See 36 O.S. § 6130 (B).

FINDINGS OF FACT

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Prepaid Funeral Benefits Act: 36 O.S. §§ 6121-6136.18.

2. Respondent is a permitted provider of Prepaid Funeral Benefit Contracts in the state of Oklahoma pursuant to 36 O.S. § 6121 and 36 O.S. § 6124, holding Permit Number 863200.

3. While reviewing the Annual Report filings due from Permit Holders in calendar year 2013, the Oklahoma Insurance Department ("the Department") noted it did not receive the Permit Holder's Annual Report by the March 15, 2013 due date as required by 36 O.S. § 6128. The Department uses the postmark date to determine whether a Permit Holder's Annual Report is timely. The Permit Holder's Annual Report had a postmark date of March 18, 2013.

4. The regulatory process can be conducted efficiently only if Permit Holders file their Annual Reports and other regulatory filings in a timely manner.

5. By filing the Annual Report late, the Permit Holder demonstrates a lack of understanding of the requirements and duties associated with the privilege of operating under a prepaid funeral benefits Permit. The Annual Report is among the most important documents Permit Holders file from a regulatory standpoint. This violation also delays the Department's staff from maintaining an orderly schedule of review of Permit Holder Annual Reports and delays the detection of possible regulatory problems.

CONCLUSIONS OF LAW

1. The Permit Holder failed to comply with the procedures and processes for filing Annual Reports, thus violating 36 O.S. § 6128. Such actions constitute a breach of the Permit Holder's obligations under the law.

2. The Insurance Commissioner may censure a Permit Holder, suspend or revoke a Prepaid Funeral Permit or impose a fine in the amount of from \$100 to \$1,000 -- or impose a combination of such disciplinary actions -- if a Permit Holder violates any provision of the Prepaid Funeral Benefits Act. See 36 O.S. § 6130 (B).

CONDITIONAL ORDER

IT IS THEREFORE ORDERED that the Permit Holder be formally censured.

IT IS FURTHER ORDERED that the Permit Holder may request a Hearing within thirty (30) days of receipt of this Order and Notice to determine if any reasons exist that should preclude the censure described herein. Any request for Hearing must be in writing, addressed to Kelley C. Callahan, Senior Attorney, Oklahoma Insurance Department, Five Corporate Plaza, 3625 N.W. 56th, Suite 100, Oklahoma City, OK 73112, **and give an explanation of Respondent's actions alleged herein and any defenses thereto.** **If Respondent does not request a hearing within the 30 days allotted, this Order shall become a FINAL ORDER on the 31st day following the receipt of the Order, and the censure ordered herein shall become applicable.** Any such hearing shall be conducted according to the procedures for contested individual cases under the Oklahoma Insurance

Code and the Administrative Procedures Act, 75 O.S. §§ 250-327. The allegations contained herein shall be the subject matter for the Hearing, and such allegations may be amended as additional information is discovered. The Insurance Commissioner or his appointed Hearing Examiner reserves the right to impose additional or different administrative discipline at a Hearing, if warranted.

WITNESS My Hand and Official Seal this 23rd day of September, 2013.




PAUL WILKENING
Chief Deputy Insurance Commissioner
Oklahoma Insurance Department

CERTIFICATE OF MAILING

I, Kelley C. Callahan, hereby certify that a true and correct copy of the attached Notice of Right to Hearing with Conditional Order of Disciplinary Action was mailed certified mail, return receipt requested on the 25th day of September, 2013 to:

People's Cooperative Funeral Home, Inc.
Michael Schmidt, FDIC
P.O. Box 146
Lone Wolf, OK 73655

Certified Mail No.
7001 0320 0004 4249 9218

Oklahoma Funeral Board
ATTN: Chris Ferguson, Deputy Director
4545 North Lincoln, Suite 175
Oklahoma City, OK 73105

Certified Mail No.
7001 0320 0004 4249 9225



KELLEY C. CALLAHAN
Senior Attorney

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

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OFFICIAL USE

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

Sent To: People's Cooperative Funeral Home, Inc.
 ATTN: Michael Schmidt, FDIC
 P.O. Box 146
 Lone Wolf, OK 73655
 rlg/13-0898-DIS/Cond. Ord.

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

PS Form 3800, January, 2001



SENDER: COMPLETE THIS SECTION

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- 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: OKLAHOMA

SEP 30 2013

People's Cooperative Funeral Home, Inc.
 ATTN: Michael Schmidt, FDIC
 P.O. Box 146
 Lone Wolf, OK 73655
 rlg/13-0898-DIS/Cond. Ord.

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[Signature]

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 9-26-13

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Total Postage & Fees	\$



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

Oklahoma Funeral Board
 ATTN: Chris Ferguson, Deputy Director
 4545 North Lincoln, Suite 175
 Oklahoma City, OK 73105
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 Addressee
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SEP 30 2013
 OKLAHOMA FUNERAL BOARD

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4. Restricted Delivery? (Extra Fee) Yes

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