

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

**FILED**  
AUG 05 2014  
INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN )  
D. DOAK, Insurance Commissioner, )  
 )  
Petitioner, )  
v. )  
 )  
 )  
OK CREMATION AND MORTUARY )  
SERVICES, INC. )  
 )  
 )  
Prepaid Funeral Benefits Permit 863811 )  
 )  
 )  
Respondent. )

Case No. 14-0556-DIS

**CONDITIONAL ADMINISTRATIVE ORDER AND NOTICE OF RIGHT TO HEARING**

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 the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., including the provisions of the Prepaid Funeral Service and Funeral Service Merchandise Act, 36 O.S. §§ 6121-6136.18 (“the Prepaid Act”).

2. The Respondent, OK Cremation and Mortuary Services LLC (“Respondent” or “Permit Holder”), is a Permitted Provider of prepaid funeral benefit contracts in the State of Oklahoma and holds Permit Number 863811 for an establishment in Oklahoma City, Oklahoma.

### **FINDINGS OF FACT**

1. The Insurance Commissioner is charged with the duty of administering and enforcing all provisions of the Prepaid Act, 36 O.S. §§ 6121-6136.18.

2. Respondent is a prepaid funeral benefits Permit Holder in the state of Oklahoma pursuant to 36 O.S. § 6121 and 36 O.S. § 6124, holding Permit Number 863811 for an establishment in Oklahoma City, Oklahoma.

3. Respondent failed to submit its Annual Report by March 17, 2014 (as March 15, 2014, fell on a Saturday), as required by 36 O.S. §6128. In fact, the Respondent has not submitted its Annual Report to date.

### **CONCLUSIONS OF LAW**

1. Respondent has completely failed to submit its Annual Report in violation of 36 O.S. § 6128.

2. The Insurance Commissioner may censure, suspend, or revoke a prepaid funeral permit or impose a fine in the amount of \$100 to \$1,000, or impose a combination of such administrative actions, for violating any provision of the Prepaid Act. *See e.g.* 36 O.S. § 6130 (B).

3. The Annual Report is central to the Insurance Commissioner's ability to properly regulate the prepaid funeral benefits trust industry. *See* 36 O.S. §§ 6123, 6125, 6128, 6129, 6129.1 and O.A.C 365:25-9-3(b) (3).

### **ORDER**

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner that the named Respondent is assessed a civil penalty in the amount of Five Hundred Dollars (\$500.00).

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Respondent's prepaid funeral benefits Permit No. 863811 be suspended as of thirty (30) days after receipt of this the Conditional Administrative Order by the Respondent unless the Respondent submits within said thirty (30) day period a complete and properly executed Annual Report covering calendar year 2013 pursuant to all the requirements of 36 O.S. § 6128 and O.A.C 365:25-9-3(b) (3).

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Conditional Administrative Order shall become a **FINAL ORDER on the 31<sup>st</sup> day following the receipt of said Order by the Respondent, unless the Respondent requests a Hearing as set out below.** The fine levied herein is due at the time this Conditional Administrative Order becomes a Final Order. The suspension of Respondent's Prepaid Funeral Permit takes effect at the time this Conditional Administrative Order becomes a Final Order unless the Respondent takes the required remedial action.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** and Respondent is further notified that Respondent may request a Hearing within thirty (30) days of the receipt of this the Conditional Administrative Order, and upon such request, the Oklahoma Insurance Department shall conduct a Hearing before an independent Hearing Examiner. A request for Hearing shall be made in writing to Kelley C. Callahan, Senior Attorney, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> Suite 100, Oklahoma City, Oklahoma 73112 and **give an explanation of Respondent's actions described herein and any defenses thereto.**

Any such Hearing shall be conducted according to the procedures for contested cases under the Insurance Code and the Oklahoma Administrative Procedures Act, 75 O.S. § 250-323. If the Respondent serves a timely request for Hearing, this Conditional Administrative Order

shall act as notice of the matters to be reviewed at 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 5<sup>th</sup> day of August, 2014.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

A handwritten signature in black ink, appearing to read "Kelley C. Callahan", written over a horizontal line.

By: Kelley C. Callahan, OBA No. 1429  
Senior Attorney  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, OK 73112  
Telephone: (405) 521-2746  
Facsimile: (405) 522-0125

**CERTIFICATE OF MAILING**

I, Kelley C. Callahan, hereby certify that a true and correct copy of the attached *Conditional Administrative Order and Notice of Right to Hearing* was mailed certified mail, return receipt requested and by regular U.S. mail on the 5<sup>th</sup> day of August, 2014 to:

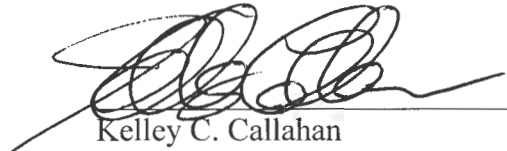
OK Cremation and Mortuary Services LLC  
ATTN: Mr. Alvis McCaffrey, FDIC  
P.O. Box 60668  
Oklahoma City, OK 73146-0668

Certified Mail No.  
7001 0320 0004 4249 4220

And that a copy was mailed by regular mail to:

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

And a Copy Was Delivered to Shanna Johnson, Regulatory Supervisor, Prepaid Accounts,  
Oklahoma Insurance Department.



Kelley C. Callahan  
Senior Attorney  
Oklahoma Insurance Department

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

7001 0320 0004 4249 4220

**OFFICIAL USE**

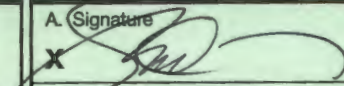
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	\$



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

OK Cremation and Mortuary Services LLC  
 ATTN: Alvis McCaffrey, FDIC  
 P.O. Box 60668  
 Oklahoma City, OK 73146-0668  
 rlg/14-0556-DIS/Cond. Adm. Ord.

PS Form 3800, January 2001

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input type="checkbox"/> Agent  <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Alvis McCaffrey</u> C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  If YES, enter delivery address below: _____</p> <p>RECEIVED: OKLAHOMA INSURANCE DEPARTMENT                  AUG 13 2014                  Legal Division</p> <p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;">                 OK Cremation and Mortuary Services LLC                  ATTN: Alvis McCaffrey, FDIC                  P.O. Box 60668                  Oklahoma City, OK 73146-0668                  rlg/14-0556-DIS/Cond. Adm. Ord.             </div>	
<p>2. Article Number                  (Transfer from service label)</p>	<p>7001 0320 0004 4249 4220</p>