

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

**FILED**  
MAY 12 2015  
INSURANCE COMMISSIONER  
OKLAHOMA

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

Petitioner,

v.

LEGACY FUNERAL HOLDINGS  
OF OKLAHOMA, LLC

Prepaid Funeral Benefits Permits 864643,  
864644 and 864646

Respondent.

Case No. 15-0485-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, Legacy Funeral Holdings of Oklahoma, LLC ("Respondent" or "Permit Holder"), is a Permitted Provider of prepaid funeral benefit contracts in the State of

Oklahoma and holds Permit Numbers 864643, 864644 and 864646 for establishments in Perry, 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 Numbers 864643, 864644 and 864646 for establishments in Perry, Oklahoma.

3. Respondent failed to submit its Annual Report by March 16, 2015 (as March 15, 2015, fell on a Sunday), as required by 36 O.S. §6128. Respondent's Annual Report was received by the Department late on April 8, 2015.

### **CONCLUSIONS OF LAW**

1. Respondent has failed to submit its Annual Report timely 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 Two Hundred Fifty Dollars (\$250.00).

**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.

**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 Dan R. Byrd, Assistant General Counsel, 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 12<sup>th</sup> day of May, 2015.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

By: Dan R. Byrd, OBA No. 12591  
Assistant General Counsel  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, OK 73112  
Telephone: (405) 522-6330  
Facsimile: (405) 522-0125

**CERTIFICATE OF MAILING**

I, Dan R. Byrd, 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 12<sup>th</sup> day of May, 2015 to:

Legacy Funeral Holdings of Oklahoma, LLC  
DBA Brown-Dugger Funeral Home, Permit #864643  
DBA Dugger Funeral Home, Permit #864644  
DBA Dugger Funeral Home, Permit #864646  
1010 N. 7<sup>th</sup> Street  
Perry, OK 73077

**CERTIFIED MAIL NO:**  
**7014 2870 0000 5493 0558**

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

**CERTIFIED MAIL NO:**  
**7014 2870 0000 5493 0565**

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



\_\_\_\_\_  
Dan R. Byrd  
Assistant General Counsel  
Oklahoma Insurance Department



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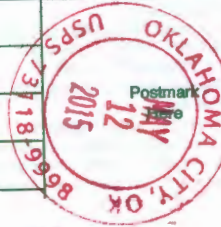
Street & Apt. No.,  
or PO Box No.

City, State, ZIP+4

Oklahoma Funeral Board  
Attn: Chris Ferguson, Deputy Director  
4545 North Lincoln, Suite 175  
Oklahoma City, OK 73105  
**15-0485-DIS/DRB(mt)**  
**(Cond.Adm.Ord & Notice-5-12-15)**

PS Form 3800, July 2014

See Reverse for Instructions



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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:

Legacy Funeral Holdings Of Oklahoma , LLC  
1010 N. 7TH Street  
Perry, OK 73077  
**15-0485-DIS/DRB(mt)**  
**(Cond.Adm.Ord & Notice-5-12-15)**

2. Article Number  
(Transfer from service label)

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PS Form 3811, July 2013

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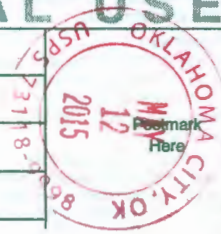
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Sent To	Legacy Funeral Holdings Of Oklahoma, LLC 1010 N. 7TH Street Perry, OK 73077
Street & Apt. No., or PO Box No.	15-0485-DIS/DRB(mt) (Cond. Adm. Ord & Notice-5-12-15)
City, State, ZIP+4	

PS Form 3800, July 2014 See Reverse for Instructions



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<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 type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>CHRIS FERGUSON</u> C. Date of Delivery <u>5-18-15</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No            If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px;"> <p>Oklahoma Funeral Board              Attn: Chris Ferguson, Deputy Director              4545 North Lincoln, Suite 175              Oklahoma City, OK 73105              15-0485-DIS/DRB(mt)              (Cond. Adm. Ord &amp; Notice-5-12-15)</p> </div>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p>
<p>2. Article Number            (Transfer from service label)</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
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