

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

FILED
JUN 29 2016
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN DOAK, Insurance Commissioner,
Petitioner,
v.
ZES INSURANCE AGENCY, LLC,
a nonresident business entity
insurance producer,
Respondent.

Case No. 16-0623-DEN

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

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

JURISDICTION

1. John 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 an applicant for renewal of its nonresident business entity insurance producer license in the State of Oklahoma. Respondent's address of record is P.O. Box 28333, Scottsdale, AZ 85255.

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).

insurance policies with the Surplus Lines Stamping Office of Texas. Accordingly, Respondent did not properly disclose the aforementioned administrative action in the renewal license application.

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.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that ZES Insurance Agency, LLC is **FINED FIVE HUNDRED DOLLARS (\$500.00)** for providing incorrect, misleading, incomplete or materially untrue information in the license application. **The \$500.00 fine is to be paid within thirty (30) days** made payable to the Oklahoma Insurance Department. The \$500.00 civil fine shall be paid by money order or cashier's check. Respondent's application for renewal of its nonresident business entity insurance producer license may be granted upon receipt of payment of the fine and reporting of the administrative action. Failure to pay the civil fine or request a hearing within thirty (30) days will result in your license application being withdrawn.

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 Dan R. Byrd, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City,

ALLEGATIONS OF FACT

1. Respondent applied for renewal of its nonresident business entity insurance producer license on or about June 27, 2016 with the Oklahoma Insurance Department (OID). On the application form, the second question asks the following: “Has the business entity or any owner, partner, officer or director of the business entity, or manager or member of a limited liability company, ever been named or involved as a party in an administrative proceeding, including a Financial Industry Regulatory Authority (“FINRA”) sanction or arbitration proceeding regarding any professional or occupational license, or registration?” Respondent answered “No” to this question.

2. The application form defines being “involved” in an administrative proceeding as the following: “having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned 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 or registration.” ‘Involved’ also means having a license, or registration application denied or the act of withdrawing an application to avoid a denial.” Applicants may only exclude “terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.”

3. A background check conducted by the OID Licensing Division showed that Respondent had the following administrative actions listed on its record: On April 28, 2016, Respondent entered into a Consent Order with the Texas Department of Insurance in which it was fined \$5,000 for failure to file new or renewal surplus lines

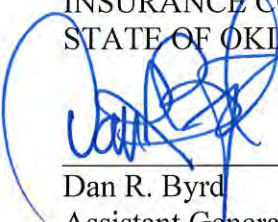
Oklahoma 73112. The request for hearing must state the grounds for the request to set aside or modify the Order.

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 29th day of June, 2016.



JOHN DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA



Dan R. Byrd
Assistant General Counsel
3625 NW 56th St., Suite 100
Oklahoma City, OK 73112

CERTIFICATE OF MAILING

I, Dan R. Byrd, 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 ____ day of June, 2016, to:

Pepper Sleight
Officer-Secretary
ZES Insurance Agency, LLC
P.O. Box 28333
Scottsdale, AZ 85255

CERTIFIED MAIL NO. 7015 3010 0001 4736 8635

and a copy was delivered to:

Lorie Jones
Licensing Division



Dan R. Byrd
Assistant General Counsel

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee \$ _____
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$ _____
 Return Receipt (electronic) \$ _____
 Certified Mail Restricted Delivery \$ _____
 Adult Signature Required \$ _____
 Adult Signature Restricted Delivery \$ _____



Postmark Here

Postage \$ _____
 Total Postage and Fees \$ _____
 Sent To _____
 Street and Apt. No., or PO Box | _____
 City, State, ZIP+4® _____

Pepper Sleight
 Officer - Secretary
 ZES Insurance Agency, LLC
 P.O. Box 28333
 Scottsdale, AZ 85255
 16-0623-DEN/DRB(mt)
 (Cond.Adm.Ord. & Notice -6-29-16)

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7015 3010 0001 4736 8635

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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:
 Pepper Sleight
 Officer - Secretary
 ZES Insurance Agency, LLC
 P.O. Box 28333
 Scottsdale, AZ 85255
 16-0623-DEN/DRB(mt)
 (Cond.Adm.Ord. & Notice -6-29-16)



2. Article Number (Transfer from service label)
 7015 3010 0001 4736 8635

COMPLETE THIS SECTION ON DELIVERY

A. Signature  Agent
 Addressee

B. Received by (Printed Name) Brent Alan C. Date of Delivery 7/7/16

D. Is delivery address different from item 1? Yes
 No

OKLAHOMA INSURANCE DEPARTMENT
 JUL 12 2016
 Legal Division

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Insured Mail
 - Insured Mail Restricted Delivery (over \$500)
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Return Receipt for Merchandise
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery