

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILE

JUL 01 2016

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN)
DOAK, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
METLIFE SECURITIES INC.,)
an applicant for renewal of a nonresident)
business entity insurance producer license,)
)
Respondent.)

Case No. 16-0644-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, Barron B. Brown, 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., including the Oklahoma Producer Licensing Act (the "Act"), 36 O.S. §§ 1435.1 through 1435.41.

2. MetLife Securities Inc. ("Respondent") is an applicant for renewal of a nonresident business entity insurance producer license in the State of Oklahoma. Respondent's address of record is 1095 Avenue of the Americas, New York, New York 10036.

3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the 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).

ALLEGATIONS OF FACT

1. On or about June 29, 2016, Respondent applied for renewal of a nonresident business entity insurance producer license 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, 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, which has not been previously reported to this insurance department?” 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 history listed on its record: voluntary entry of an Acceptance, Waiver, & Consent (“AWC”) disciplinary action with the FINRA on or about May 3, 2016. The AWC resulted in a censure and monetary penalty/fine of \$20 million against Respondent.

4. Pursuant to 36 O.S. § 1435.18(A), “[a] producer shall report to the Insurance Commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within thirty (30) days of the final disposition of the matter. This report shall include a copy of the order, consent to order or other relevant legal documents.”

5. As per 36 O.S. § 1435.18(A), Respondent was required to report the aforementioned FINRA AWC to the OID on or before June 2, 2016, which was the 30th day from date of entry of the FINRA AWC. Respondent did not disclose the aforementioned FINRA AWC to the OID until the date of its renewal application on June 29, 2016.

ALLEGED VIOLATIONS OF LAW

1. Respondent violated 36 O.S. § 1435.13(A)(1); by providing incorrect, misleading, incomplete or materially untrue information in the license application.

2. Respondent violated 36 O.S. § 1435.18(A); by failing to report to the Insurance Commissioner any administrative action taken against the producer in another jurisdiction within thirty (30) days of the final disposition of the matter.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that

Respondent is **CENSURED** and **FINED FIVE HUNDRED DOLLARS (\$500.00)** for a violation of 36 O.S. §§ 1435.13(A)(1) and 1435.18(A). **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 a 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 Barron B. Brown, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, 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 1st day of July, 2016.



JOHN DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Barron B. Brown

Barron B. Brown
Assistant General Counsel
3625 NW 56th St., Suite 100
Oklahoma City, OK 73112
(405) 521-2746

CERTIFICATE OF MAILING

I, Barron B. Brown, 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 1st day of July, 2016, to:

MetLife Securities Inc.
1095 Avenue of the Americas
New York, NY 10036

CERTIFIED MAIL NO. 7015 3010 0001 4736 9915

and a copy was delivered to:

Licensing Division

Barron B. Brown

Barron B. Brown
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) \$ _____
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 Adult Signature Restricted Delivery \$ _____



Postage \$ _____
 Total Postage and Fees \$ _____

Sent To MetLife Securities Inc.
 1095 Avenue of the Americas
 Street and Apt. No., or PO Box New York, NY 10036
 City, State, ZIP+4® rlg/16-0644-DEN(BBB)/Cond Adm Ord

PS Form 3800, April 2015 PSN 7530-02-000-9053

7015 3010 0001 4736 9915

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> 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. 	<p>A. Signature <input checked="" type="checkbox"/> <i>M. Scifano</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>M. Scifano</u> C. Date of Delivery <u>7-5-16</u></p>																
<p>1. Article Addressed to:</p> <p>MetLife Securities Inc. 1095 Avenue of the Americas New York, NY 10036 rlg/16-0644-DEN(BBB)/Cond Adm Ord</p> <p>9590 9402 1900 6104 3897 71</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>OKLAHOMA INSURANCE DEPARTMENT JUL 1 2 2016 Legal Division</p>																
<p>2. Article Number (Transfer from service label) 7015 3010 0001 4736 9915</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
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