

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

FILE

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

AUG 10 2016

INSURANCE COMMISSIONER
OKLAHOMA

Case No. 16-0727-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. Hornor, Townsend & Kent, Inc. ("Respondent") is an applicant for renewal of a nonresident business entity insurance producer license in the State of Oklahoma. Respondent's mailing address of record is 600 Dresher Rd., Suite C2F, Horsham, Pennsylvania 19044.

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 July 11, 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: a consent order with the State of New Hampshire Department of State Bureau of Securities Regulation (“NHSBS”) on or about April 26, 2012, which resulted in a monetary penalty/fine of \$1,750.00; and a voluntary entry of an Acceptance, Waiver, & Consent (“AWC”) disciplinary action with the FINRA on or about October 2, 2012, which resulted in a censure and monetary penalty/fine of \$150,000 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 NHSBS consent order to the OID on or before May 28, 2012. Additionally, Respondent was required to report the aforementioned FINRA AWC to the OID on or before November 1, 2012. Respondent did not disclose the aforementioned administrative actions to the OID until the date of its renewal application on July 11, 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 10th day of August, 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 10th day of August, 2016, to:

Honor, Townsend & Kent, Inc.
600 Dresher Rd.
Suite C2F
Horsham, PA 19044

CERTIFIED MAIL NO. 7016 0910 0000 5833 5077

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



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 \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To _____ Hornor, Townsend & Kent, Inc.
 600 Dresher Rd., Suite C2F
 Street and Apt. No., or PO Box # Horsham, PA 19044
 City, State, ZIP+4® rlg/16-0727-DEN(BBB)/Cond Adm Ord

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

7016 0910 0000 5833 5077

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.

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) Sue Noble

C. Date of Delivery 8/15/16

1. Article Addressed to:
 Hornor, Townsend & Kent, Inc.
 600 Dresher Rd., Suite C2F
 Horsham, PA 19044
 rlg/16-0727-DEN(BBB)/Cond Adm Ord

RECEIVED
OKLAHOMA INSURANCE DEPARTMENT
AUG 19 2016
Legal Division

D. Is delivery address different from item 1? Yes/
 No
 If YES, enter delivery address below:



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

2. Article Number (Transfer from service label)
 7016 0910 0000 5833 5077

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt