

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
OCT 11 2016
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN DOAK, Insurance Commissioner,
Petitioner,
v.
FMN CAPITAL CORPORATION,
an applicant for a nonresident business entity
insurance producer license,
Respondent.

Case No. 16-0919-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, Sara A. Worten, 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 a nonresident business entity insurance producer license in the State of Oklahoma. Respondent's address of record is 26041 Acero, Mission Viejo, CA 92691.

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).

ALLEGATIONS OF FACT

1. Respondent applied for a nonresident business entity insurance producer license on or about September 14, 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 action listed on its record: an administrative action by the Office of the Secretary of the Commonwealth Securities Division for voting client proxies without proper authorization in violation of

Massachusetts law. Respondent entered into a Consent Order and was ordered to cease and desist, censured, and fined Twenty-three Thousand Dollars (\$23,000.00). Accordingly, Respondent did not properly disclose the aforementioned administrative action in the 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 FMN Capital Corporation is **FINED THREE HUNDRED DOLLARS (\$300.00)** for providing incorrect, misleading, incomplete or materially untrue information in the license application. **The \$300.00 fine is to be paid within thirty (30) days** made payable to the Oklahoma Insurance Department. The \$300.00 civil fine shall be paid by money order or cashier's check. Respondent's application for 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 Sara A. Worten,

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 11th day of October, 2016.



JOHN DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

A handwritten signature in black ink, appearing to read "Sara A. Worten", written over a horizontal line.

Sara A. Worten
Assistant General Counsel
3625 NW 56th St., Suite 100
Oklahoma City, OK 73112
405-521-2746

CERTIFICATE OF MAILING

I, Sara A. Worten, 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 October, 2016, to:

Jeffrey G. Merwin
Chief Compliance Officer
FMN Capital Corporation
26041 Acero
Mission Viejo, CA 92691

CERTIFIED MAIL NO.

7016 0910 0000 5833 3110

and a copy was delivered to:

Lorie Jones
Licensing Division



Sara A. Worten
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 \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

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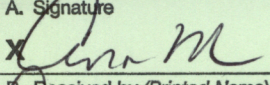
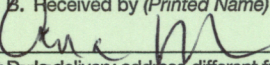
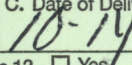
City, State, ZIP+4® _____

Jeffrey G. Merwin
 Chief Compliance Officer
 FMN Capital Corporation
 26041 Acero
 Mission Viejo, CA 92391
 16-0919-DEN/SAW(mt)
 (Cond. Adm. Ord. & Notice ~10-11-16)



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

0102 0910 0000 5833 3110

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"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)  _____</p> <p>C. Date of Delivery  _____</p>																
<p>1. Article Addressed to:</p> <div data-bbox="56 1050 454 1239" style="border: 1px solid black; padding: 5px;"> <p>Jeffrey G. Merwin Chief Compliance Officer FMN Capital Corporation 26041 Acero Mission Viejo, CA 92391 16-0919-DEN/SAW(mt) (Cond. Adm. Ord. & Notice ~10-11-16)</p> </div> <p>RECEIVED OKLAHOMA INSURANCE DEPARTMENT OCT 18 2016 Legal Division</p>	<p>delivery address different from item 1? <input type="checkbox"/> Yes / <input type="checkbox"/> No If Yes, enter delivery address below: _____</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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<p>2. Article Number (Transfer from service label)</p> <p>7016 0910 0000 5833 3110</p>	<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>																

