

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
MAY 09 2017
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner,)
)
Petitioner,)
vs.)
)
NETWORK ADJUSTERS, INC.,)
An applicant for a business entity non-resident)
insurance producer license,)
)
Respondent.)

CASE NO. 17-0316-DEN

CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner,
by and through his attorney, Lisa M. Torneten, and alleges and states as follows:

JURISDICTION AND AUTHORITY

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and as such 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, 36 O.S. §§ 1435.1 through 1435.41.

2. Network Adjusters, Inc. (“Respondent”) is a non-resident business entity insurance producer holding license number 0000006798. Respondent’s mailing address of record is 850 Fulton Street Farmingdale, New York 11735.

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 pursuant to 36 O.S. §§ 1435.13(A) and (D).

ALLEGATIONS OF FACTS

1. Respondent applied for a nonresident business entity insurance producer license on or about April 24, 2017 with the Oklahoma Insurance Department (the "Department").

2. 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.

3. 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."

4. A background check conducted by the Department Licensing Division showed that Respondent had the following administrative actions listed on its record: an administrative action by the Connecticut Department of Insurance for employing an unlicensed claims adjuster. Respondent entered into a Consent Order and was fined Two Thousand and No/100 Dollars (\$2,000.00). The Utah Insurance Department commenced an administrative action against

Respondent for failing to meet several state statutory licensing requirements. Respondent agreed to an administrative forfeiture in the amount of Four Thousand and No/100 Dollars (\$4,000.00). 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, ADJUDGED AND DECREED by the Insurance Commissioner, subject to the following paragraph, that Respondent is hereby **CENSURED** and **FINED TWO HUNDRED DOLLARS (\$200.00)** for **EACH** violation of *36 O.S. § 1435.4(A)*. The **\$400.00 fine is to be paid within thirty (30) days** of this Conditional Administrative Order and made payable to the Oklahoma Insurance Department. License will be issued upon payment of the fine.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless Respondent requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days 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 mailing of this Order. A request for hearing shall be in writing addressed to Lisa M. Torneten, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112. Additionally, the request for hearing shall state the grounds for the request to set aside or modify the Order. The request shall be served on the Oklahoma Insurance Department within the thirty (30) days allotted. The proceedings on such requested

hearing will be conducted in accordance with the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., and the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250 through 323. If Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as a 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 9th day of May, 2017.



JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Lisa M. Torneten
Oklahoma Insurance Department
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma 73112
(405) 522-6330
(405) 522-1250 Fax

CERTIFICATE OF MAILING

I, Lisa M. Torneten, 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 9th day of May, 2017, to the following:

Network Adjusters, Inc.
850 Fulton Street
Farmingdale, NY 11735

CERTIFIED MAIL NO. 7016 2140 0000 3510 5740

and a copy was delivered to:

Lorie Jones
Licensing Division



Lisa M. Torneten
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
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Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage
 \$ _____

Total Postage and Fees
 \$ _____

Sent To

Street and Apt. No., or PO Box

City, State, ZIP+4®

Network Adjusters, Inc.
 850 Fulton Street
 Farmingdale, NY 11735
 17-0316-DEN/LMT(mt)
 Cond.Adm.Ord. & Notice -(5-09-17)



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

7016 2140 0000 3510 5740

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Network Adjusters, Inc. 850 Fulton Street Farmingdale, NY 11735 17-0316-DEN/LMT(mt) Cond.Adm.Ord. & Notice -(5-09-17)</p> <p>9590 9402 2617 6336 1433 94</p> <p>2. Article Number (Transfer from service label) 7016 2140 0000 3510 5740</p>	<p>A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
	<p>B. Received by (Printed Name) RECEIVED OKLAHOMA INSURANCE DEPARTMENT Legal Division MAY 19 2017</p> <p>C. Date of Delivery _____</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>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>		



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