

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

FEB 11 2019

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
vs.)
)
DENISE DUGDALE)
a licensed insurance producer)
in the State of Oklahoma,)
)
Respondent.)

CASE NO. 18-0593-DIS

CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, by and through counsel, Sandra G. LaVenue, and alleges and states as follows:

JURISDICTION AND AUTHORITY

1. Glen Mulready 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. Denise Dugdale ("Respondent") is an Oklahoma licensed resident insurance producer holding license number 142401 in the State of Oklahoma. Respondent's mailing address of record is P.O. Box 722, Broken Arrow, Oklahoma 74013-0722.

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).

4. If Respondent requests a hearing in writing in this matter, pursuant to OAC 365:1-7-1, the Insurance Commissioner, pursuant to 36 O.S. § 319, will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and preside over the hearing requested by Respondent.

5. The Insurance Commissioner, pursuant to OAC 365:1-7-5, upon written request reasonably made by a person affected by the hearing and at such person's expense, shall cause a full stenographic record of the proceedings to be made by a competent court reporter.

ALLEGATIONS OF FACTS

6. Respondent received premium payments for three (3) yearly Non-Profit Directors and Officers Liability insurance policies for Oil Capital Rod & Gun Club for three (3) consecutive years beginning April 5, 2014 through April 5, 2017, which were never bound.

7. The premium payments received by Respondent totaled \$4591.00 and were deposited into the account of Commercial Risk Group. The premium payments were never forwarded to Philadelphia Insurance Companies as intended.

8. The policies were never bound and Respondent created fraudulent Declaration pages that were sent to Oil Capital Rod & Gun Club.

9. Pursuant to 36 O.S. § 1435.13(A)(4), it is a violation of the Producer Licensing Act for a producer to improperly withhold, misappropriate or convert any monies received in the course of doing insurance business.

10. Pursuant to 36 O.S. § 1435.13(A)(8), it is a violation of the Producer Licensing Act for a producer to use fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of business.

ALLEGED CONCLUSIONS OF LAW

11. Respondent has violated 36 O.S. § 1435.13(A)(4) and (8) by misappropriating premium payments received on behalf of Philadelphia Insurance Companies without forwarding the premiums on to the company. Additionally, it is fraudulent, coercive, and dishonest and demonstrates incompetence, untrustworthiness and financial irresponsibility to misappropriate premium payments and then create fraudulent Declaration pages intended to deceive the client into believing there is insurance coverage, when in fact there is none.

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 THOUSAND DOLLARS (\$2000.00)** for multiple violations of 36 O.S. § 1435.13(A)(4) AND (8). The **\$2000.00 fine is to be paid within thirty (30) days** of this Conditional Administrative Order by check or money order and made payable to the Oklahoma Insurance Department. If the fine is not paid or a

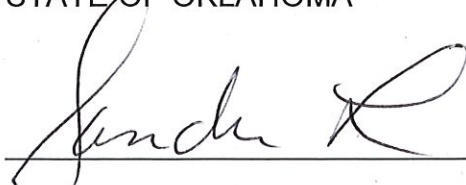
hearing requested within thirty (30) days, OID may initiate further administrative action.

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 (31st) day following the mailing of this Order. A request for hearing shall be in writing addressed to Sandra LaVene, 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 11th day of February 2019.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA



Sandra LaVenue OBA# 13372
Oklahoma Insurance Department
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma 73112
(405) 521-2746

CERTIFICATE OF MAILING

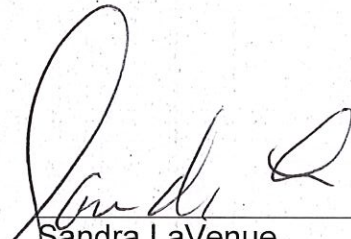
I, Sandra LaVenue, hereby certify that a true and correct copy of the above and foregoing *Conditional Administrative Order and Notice of Right to be Heard* was mailed by certified mail, with postage prepaid and return receipt requested, on this 14th day of February 2019, to:

Denise Dugdale
P.O. Box 722
Broken Arrow, OK 74013-0722

CERTIFIED MAIL NO. 9214 8902 0982 7500 0172 80

and a copy was delivered to:

Stephen Colburn
Anti-Fraud Division



Sandra LaVenue
Senior Counsel

Oklahoma Insurance Department
Legal Division
3625 NW 56th, Suite 100
OKC, OK 73112

RECEIVED
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OKLAHOMA INSURANCE DEPARTMENT
Legal Division

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