

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**FILED**  
MAR 07 2019  
INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN )  
MULREADY, Insurance Commissioner, )  
 )  
Petitioner, )  
 )  
v. )  
 )  
CYNTHIA JANETH AYALA, a nonresident )  
limited lines producer, )  
 )  
Respondent. )

Case No. 18-0877-DIS

**FINAL ADMINISTRATIVE ORDER**

This matter is a disciplinary proceeding under the Oklahoma Producer Licensing Act (the “Act”), 36 O.S. §§ 1435.1 et seq. On December 14, 2018, the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner (the “Petitioner”), issued a *Notice of Hearing and Order to Show Cause* (the “Notice”) alleging that Cynthia Janeth Ayala (the “Respondent”) violated provisions of the Act.

Respondent did not respond to the *Notice*, which was mailed to Respondent at her provided mailing address of record by certified mail. The administrative hearing was held before the undersigned Hearing Examiner on February 27, 2019. Petitioner appeared by counsel, Teresa L. Green. Respondent failed to appear. Witness for Petitioner, Oklahoma Insurance Department (“OID”) Licensing Division Manager Courtney Khodabakhsh, was sworn and testified, exhibits were presented and arguments heard.

**JURISDICTION**

1. Glen Mulready 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 Act.

2. Respondent is a nonresident limited lines producer holding license number 3000406064. Respondent's mailing address of record is 2701 S. Glenwood Ave., Independence, MO 64052.

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 or may impose a civil fine of not less than \$100.00 nor more than \$1,000.00 when an applicant obtains or attempts to obtain a license through misrepresentation or fraud. *See 36 O.S. §§ 1435.13(A)(3) and (D).*

4. The Insurance Commissioner, pursuant to *36 O.S. § 319*, appointed the undersigned Independent Hearing Examiner to sit as a quasi-judicial officer over the above entitled cause.

#### **FINDINGS OF FACT**

5. On or about October 9, 2018, Respondent was issued a limited lines producer license with lines of authority for credit, pre-paid legal, and travel in Oklahoma.

6. On or about October 29, 2018, Respondent applied for a nonresident managing general agent license in Oklahoma.

7. On the Oklahoma application form for both the limited lines producer license and the managing general agent license, question 1A asks the following: "Have you ever been convicted of a misdemeanor, had a judgment withheld or deferred, or are you currently charged with committing a misdemeanor?" Respondent answered "No" to this question.

8. On the Oklahoma application form for both the limited lines producer license and the managing general agent license, question 2 asks the following: "Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration

proceeding regarding any professional or occupational license or registration?” Respondent answered “No” to this question.

9. On or about July 13, 2017, Respondent’s first Kansas application, which was filed under the name “Cynthia Ayala,” for resident insurance license with the Kansas Insurance Department (“KID”) was denied.

10. Respondent answered “No” to “Have you ever been convicted of a misdemeanor, had a judgment withheld or deferred, or are you currently charged with committing a misdemeanor?” on the KID application.

11. KID discovered the following convictions through a Kansas Bureau of Investigation background check:

- a) January 8, 2007, Wichita Municipal Court, Case No. 04TM003202, Driving without Insurance (misdemeanor);
- b) June 19, 2007, Wichita Municipal Court, Case No. 06M004724, Theft by Deception (misdemeanor);
- c) September 26, 2011, Wichita Municipal Court, Case No. 11DR000998, Possession of Drug Paraphernalia (misdemeanor); and,
- d) December 6, 2016, Mulvane Municipal Court, Case No. 16-1023, Criminal Trespass (misdemeanor).

12. On or about August 8, 2017, Respondent’s second Kansas application, which was filed under the name “Cynthia Janeth Granillo,” with KID for resident insurance license was denied after KID requested additional information regarding the reapplication with a different last name and no response was received.

13. On or about August 8, 2017, Respondent's third Kansas application, which was again filed under the name "Cynthia Ayala" but using a different social security number, with KID for resident insurance license was denied.

14. On or about October 1, 2018, Respondent's fourth application with KID for resident insurance license was denied for the following reasons:

- a) Respondent again answered "No" to whether she has been denied for a license on the KID application;
- b) Respondent had three license applications denied by KID in the past year and a half; and,
- c) Respondent was granted a Missouri resident agent license for credit and travel on or about September 4, 2018, in which Respondent listed 2701 S Glenwood Ave, Independence, Missouri as her home address despite her Kansas resident producer license application.

15. KID discovered the following additional convictions through a Kansas Bureau of Investigation background check:

- a) December 19, 2017, Mulvane Municipal Court, Case No. 16-1118, Criminal Trespass (misdemeanor); and,
- b) December 19, 2017, Mulvane Municipal Court, Case No. 17-992, Criminal Trespass (misdemeanor).

16. After receiving notice from the KID regarding the denials, the OID filed the *Notice*.

17. The *Notice* was mailed via certified mail to Respondent's address of record and sent via electronic mail to Respondent's email address of record with the OID.



18. On or about December 18, 2018, the United States Postal Service noted the status of the certified mail containing the *Notice* was “Notice Left (No Authorized Recipient Available).”

19. The hearing was continued to February 27, 2019, at 9:30 a.m.

20. The *Continuance* was filed on February 6, 2019, and was sent to the Respondent’s address of record via certified mail, return receipt requested, and regular mail. The *Continuance* was also sent via electronic mail to the Respondent’s email address of record.

21. On or about February 13, 2019, the United States Postal Service noted the status of the certified mail containing the *Continuance* was “In Transit to Next Facility.”

22. The Insurance Commissioner appointed John D. Miller to hear the case as the independent hearing examiner.

23. Respondent did not appear for the hearing.

24. The hearing was recorded electronically by employees of the OID. Neither party requested a full stenographic record of the proceedings.

25. The following exhibits were introduced and admitted:

- a) Petitioner’s Exhibit 1: National Association of Insurance Commissioner’s (“NAIC”) State Based Systems (“SBS”) Licensee Summary for Cynthia Janeth Ayala;
- b) Petitioner’s Exhibit 2: NAIC’s SBS Managing General Agent Transaction Information
- c) Petitioner’s Exhibit 3: NAIC’s SBS Agent History Report for Cynthia Ayala for Limited Lines Producer Individual Original Application;

- d) Petitioner's Exhibit 4: National Insurance Producer Registry Transaction Details for Transaction Number 597394784;
- e) Petitioner's Exhibit 5: Email correspondence from Nancy Strasburg of KID to Anissa Tuttle and Steven Lehwald, each of KID, dated August 8, 2017;
- f) Petitioner's Exhibit 6: Letter from Steven Lehwald of KID to Cynthia J. Ayala dated July 13, 2017;
- g) Petitioner's Exhibit 7: Letter from Steven Lehwald of KID to Cynthia J. Ayala dated August 8, 2017;
- h) Petitioner's Exhibit 8: Letter from Steven Lehwald of KID to Cynthia J. Ayala dated October 1, 2018;
- i) Petitioner's Exhibit 9: Letter from Steven Lehwald of KID to Cynthia J. Ayala dated November 6, 2017; and,
- j) Petitioner's Exhibit 10: Email correspondence from Nancy Strasburg of KID to Courtney Khodabakhsh of OID dated November 28, 2018.

26. Courtney Khodabakhsh was sworn and testified under oath.

27. Ms. Khodabakhsh testified to the above findings of facts. She also testified that

Respondent was issued a limited lines producer license in Oklahoma and that the OID was not aware of the denials and criminal convictions in Kansas when said license was issued.

#### **CONCLUSIONS OF LAW**

28. Respondent violated *36 O.S. § 1435.13(A)(1)* by providing incorrect, misleading, incomplete or materially untrue information in the license application for not disclosing misdemeanor convictions and license denials in Kansas.

29. Respondent violated 36 O.S. § 1435.13(A)(3) by obtaining or attempting to obtain a license through misrepresentation or fraud for not disclosing the misdemeanor convictions and license denials in Kansas as well as providing different names and social security numbers on various applications to the KID following denials.

30. Respondent violated 36 O.S. § 1435.13(A)(8) by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere for not disclosing convictions or denials as well as using different names and social security numbers on KID applications.

31. Respondent violated 36 O.S. § 1435.13(A)(9) by having an insurance producer license, or its equivalent, denied, suspended, censured, placed on probation or revoked in any other state, province, district or territory because Respondent has four (4) denials for resident producer license in Kansas.

**ORDER**

**IT IS THEREFORE ORDERED**, based on the clear and convincing evidence set forth above, the Respondent's nonresident limited lines producer license in the State of Oklahoma is hereby **REVOKED**. **IT IS FURTHER ORDERED** the Respondent's managing general agent license application in the State of Oklahoma is hereby **DENIED**. **IT IS FURTHER ORDERED** Respondent is hereby **fin**ed two hundred fifty dollars (\$250.00) and is to **pay** the costs of the administrative hearing in the amount of one hundred twenty-five dollars (\$125.00). All civil fines and costs shall be paid within thirty (30) days made payable to the Oklahoma Insurance Department. The civil fine and costs shall be paid by money order or cashier's check.

Done this 5<sup>th</sup> day of March, 2019.



GLEN MULREADY  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

A handwritten signature in black ink, appearing to read "John D. Miller", written over a horizontal line.

JOHN D. MILLER  
Independent Hearing Examiner  
Oklahoma Insurance Department  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, OK 73112



**CERTIFICATE OF MAILING**

I, Teresa L. Green, hereby certify that a true and correct copy of the above and foregoing *Final Administrative Order* was mailed by regular mail; certified mail, with postage prepaid and return receipt requested; and electronic mail, on this 7<sup>th</sup> day of March, 2019 to:

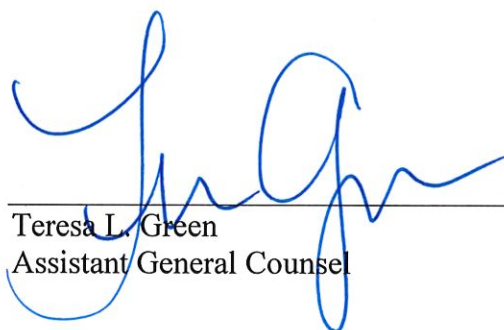
Cynthia Janeth Ayala  
2701 S. Glenwood Ave.  
Independence, MO 64052  
[cynthiaccel@yahoo.com](mailto:cynthiaccel@yahoo.com)

**CERTIFIED MAIL NO.**

9214 8902 0982 7500 0180 03

and a copy was delivered to:

Licensing Division



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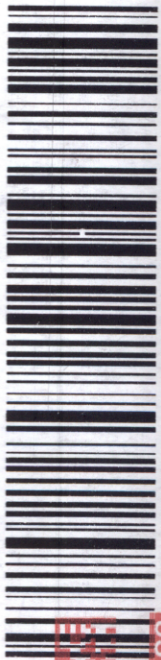
Teresa L. Green  
Assistant General Counsel

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

RECEIVED  
OKLAHOMA INSURANCE DEPARTMENT,  
APR 24 2019  
Legal Division

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9214 8902 0982 7500 0180 03

CYNTHIA JANETH AYALA  
2701 S GLENWOOD AVE  
INDEPENDENCE MO 64052-1338

NEED POST

03/07/2019

US POSTAGE

**\$006.25<sup>0</sup>**

FIRST-CLASS MAIL



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041M11276941

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OKLAHOMA INSURANCE DEPARTMENT  
APR 24 2019  
MAILROOM

73112>4511

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