

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**'FILED'**

**JUL 12 2019**

**INSURANCE COMMISSIONER  
OKLAHOMA**

STATE OF OKLAHOMA, <i>ex rel.</i> GLEN	)	
MULREADY, Insurance Commissioner,	)	
	)	
Petitioner,	)	
	)	
vs.	)	Case No. 19-0058-DIS
	)	
JAMES DEREK PALMER, a licensed public	)	
adjuster in the State of Oklahoma,	)	
	)	
Respondent.	)	

**FINAL ADMINISTRATIVE ORDER**

On the 25<sup>th</sup> day of June, 2019, the above-captioned administrative action came on for hearing. The Petitioner, State of Oklahoma, *ex rel.* Glen Mulready, Insurance Commissioner, appeared by and through its counsel of record, Brian C. Chandler, and Respondent, James Derek Palmer, appeared in person *pro se*. Therefore, after consideration of the record, exhibits admitted into evidence, and testimony provided, this Independent Hearing Examiner issues his Order of Findings of Fact and Conclusions of Law.

**JURISDICTION AND AUTHORITY**

1. The Hearing Examiner finds that Glen Mulready is the Insurance Commissioner of the State of Oklahoma ("Commissioner") and administers and enforces the Oklahoma Insurance Code, 36 Okla. Stat. Ann. §§ 101 *et seq.*, including the Insurance Adjusters Licensing Act, 36 Okla. Stat. Ann. §§ 6201, *et seq.* The Commissioner is the chief executive officer of the Oklahoma Insurance Department ("Department"). 36 Okla. Stat. Ann. § 301.

2. The Hearing Examiner further finds that Respondent James Derek Palmer ("Respondent") is licensed as a public adjuster by the Department holding license number

3000247682. Respondent's mailing address of record with the Department is P.O. Box 193, Adair, OK 74330-0193.

3. The Hearing Examiner further finds that the Commissioner may censure, suspend, revoke, or refuse to issue or renew a license and/or may levy a fine up to One Thousand Dollars (\$1,000.00) for each violation of the Oklahoma Insurance Code pursuant to *36 Okla. Stat. Ann. § 6220(B)*, and therefore, the Commissioner has jurisdiction over the subject matter raised in the above-captioned administrative action.

4. The Hearing Examiner further finds that pursuant to the *Notice of Hearing and Order to Show Cause* issued in the above-captioned administrative action on June 4, 2019, he was appointed to sit as a quasi-judicial office and preside over the hearing pursuant to *36 Okla. Stat. Ann. § 319* and *Okla.Admin. Code 365:1-7-1*.

5. The Hearing Examiner further finds that the Commissioner appeared by its counsel of record and that the Respondent appeared in person *pro se*, and that personal jurisdiction is proper.

6. The Hearing Examiner provided Respondent with notice of his right to obtain counsel and that the Respondent made no request for a continuance.

7. Robert Lee, an investigator with the Anti-Fraud Unit of the Oklahoma Insurance Department, ("Agent Lee") was sworn in by the Hearing Examiner, examined and testified on behalf of the Commissioner. Agent Lee testified as to his investigation into the Respondent regarding his guilty pleas in case numbered CM-2012-134, Mayes County District Court and case numbered CF-2018-241, Mayes County District Court, respectively. The Hearing Examiner also took judicial notice of the judgment in CM-2012-134, and each guilty plea was admitted into evidence without objection by the Respondent as Exhibit "4" and Exhibit "6" respectively.



8. Niki Godfrey, a licensing administrator with the Licensing Division of the Oklahoma Insurance Department, testified as to Respondent's February 22, 2018 public adjuster licensing application, the same was admitted into evidence without objection by Respondent as Exhibit "7" and cancellation of Respondent's public adjuster bond, and a letter of cancellation of said bond was admitted into evidence without objection by Respondent as Exhibit "8".

9. Respondent, James Derek Palmer, appeared in person, presented no defense and made no objection to the Commissioner's allegations, evidence presented, or recommendation.

### **FINDINGS OF FACT**

10. The Hearing Examiner adopts and incorporates the foregoing paragraphs and finds that the Commissioner has established by clear and convincing evidence the following findings of fact:

11. On or about February 22, 2018, Respondent submitted an application for a public adjuster license to the Department. The application contained the following question:

1A. Have you ever been convicted of a misdemeanor, had a judgment withheld or deferred, or are you currently charged with committing a misdemeanor? You may exclude the following misdemeanor convictions or pending misdemeanor charges: traffic citations, driving under the influence (DUI), driving while intoxicated (DWI), driving without a license, reckless driving, or driving with a suspended or revoked license. You may also exclude juvenile adjudications (offenses where you were adjudicated delinquent in a juvenile court).

The Respondent answered "No" to the question.

12. Upon review of the public information located on the Oklahoma Supreme Court Network, Robert Lee, an investigator with the Anti-Fraud Unit of the Oklahoma Insurance Department, ("Agent Lee") discovered the Respondent had entered guilty pleas in criminal proceedings styled as follows:

a. *State of Oklahoma v. James Derek Palmer*, Case No. CM-2012-134,

Mayes County District Court, State of Oklahoma.

- i. Count One: Domestic assault & battery in presence of a minor/child.
- ii. Count Two: Expunged.

b. *State of Oklahoma v. James Derek Palmer*, Case No. CF-2018-241, Mayes County District Court, State of Oklahoma.

- i. Count One: Knowingly concealing stolen property.
- ii. Count Two: Altering and/or removing VIN.

13. On or about December 14, 2018, Agent Lee contacted Nicole Godfrey ("Godfrey"), a licensing administrator with the Department, to confirm if the Respondent disclosed the guilty plea in the above-referenced 2012 criminal misdemeanor proceeding on his application to the Department.

14. Godfrey confirmed to Agent Lee that Respondent failed to disclose the guilty plea on his application.

15. As of the date of this filing, Respondent has not reported his guilty plea in the above-referenced 2018 felony criminal proceeding to the Department.

16. On March 28, 2019, the Department received a bond cancellation notice from Old Republic Surety Company for bond numbered TWA2531030 for Respondent, the bond principal. As of the date of this filing, no replacement bond has been posted for Respondent.

#### **CONCLUSIONS OF LAW**

17. The Hearing Examiner re-adopts and re-incorporates the foregoing findings and also finds that the Commissioner has established the following conclusions of law by clear and convincing evidence.

18. Upon examination of the record, exhibits admitted into evidence, and testimony provided, the Hearing Examiner finds that the Commissioner has established by clear and convincing evidence that Respondent violated 36 Okla. Stat. Ann. § 6220(A)1 by making a



material misrepresentation on his license application; specifically, Respondent failed to disclose his guilty plea in the case styled:

- a. *State of Oklahoma v. James Derek Palmer*, Case No. CM-2012-134, Mayes County District Court, State of Oklahoma.

19. Upon examination of the record, exhibits admitted into evidence, and testimony provided, the Hearing Examiner finds that the Commissioner has established by clear and convincing evidence that Respondent violated 36 Okla. Stat. Ann. § 6220(A)5 by entering a plea of guilty to a felony pursuant to the laws of this state in the case styled:

- a. *State of Oklahoma v. James Derek Palmer*, Case No. CF-2018-241, Mayes County District Court, State of Oklahoma.

20. Upon examination of the record, exhibits admitted into evidence, and testimony provided, the Hearing Examiner finds that the Commissioner has established by clear and convincing evidence that Respondent has violated 36 Okla. Stat. Ann. § 6220(A)15 by failing to inform the Department of his guilty plea in the above-referenced felony action within thirty (30) days.

21. Upon examination of the record, exhibits admitted into evidence, and testimony provided, the Hearing Examiner finds that the Commissioner has established by clear and convincing evidence that Respondent violated 36 Okla. Stat. Ann. § 6220(A)8 by violating 36 Okla. Stat. Ann. § 6214 whereby Respondent does not have a bond in the statutorily required amount filed with the Department.

22. Upon examination of the record, exhibits admitted into evidence, and testimony provided, the Hearing Examiner finds that the Commissioner has established by clear and convincing evidence that in Respondent violated 36 Okla. Stat. Ann. § 6220(A)2 for any cause for which the original issuance of a license could have been refused.

**ORDER**

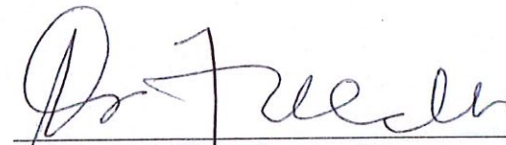
**BASED ON THE CLEAR AND CONVINCING EVIDENCE SET FORTH ABOVE**, the public adjuster license of Respondent, James Derek Palmer, is **HEREBY REVOKED EFFECTIVE IMMEDIATELY**.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Respondent James Derek Palmer is **FINED ONE THOUSAND DOLLARS (\$1,000.00)** and said civil fine is payable to the Oklahoma Insurance Department within thirty (30) days of this Order.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Respondent, pursuant to *36 Okla. Stat. Ann. § 319*, is assessed the costs of this proceeding in the amount of \$337.50 and the same is payable to the Oklahoma Insurance Department within thirty (30) days of this Order.

Done this 9 day of July, 2019.



  
\_\_\_\_\_  
Charles F. Alder, III  
Independent Hearing Examiner  
Oklahoma Insurance Department

**CERTIFICATE OF MAILING**

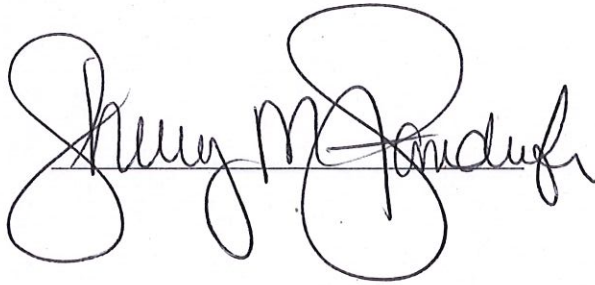
I hereby certify that a true and correct copy of the above and foregoing *Final Administrative Order* was mailed by regular mail and by certified mail, with postage prepaid and return receipt requested, on this 12<sup>th</sup> day of July, 2019, to:

James Derek Palmer  
P.O. Box 193  
Adair, OK 74330-0193

**CERTIFIED MAIL NO. 9214 8902 0982 7500 0223 76**

and a copy was delivered to:

Courtney Khodabakhsh, Supervisor  
Licensing Division

A handwritten signature in black ink, appearing to read "Sherry M. Sandusky". The signature is written in a cursive style with large, looping letters. It is positioned to the right of the text "Licensing Division".



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

**CERTIFIED MAIL™**

USPS CERTIFIED MAIL



9214 8902 0982 7500 0223 76

JAMES DEREK PALMER  
PO Box 193  
ADAIR OK 74330-0193

RETURN TO SENDER  
UNABLE TO FORWARD  
UNABLE TO FORWARD  
RETURN TO SENDER

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**RECEIVED**  
OKLAHOMA INSURANCE DEPARTMENT

AUG 13 2019

**MAILROOM**

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*7-23 no pet*

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07/12/2019  
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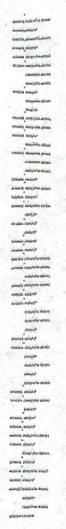
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AUG 12 2019

Legal Division

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