

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

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INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN
MULREADY, Insurance Commissioner,

Petitioner,

v.

ALLEN THOMAS LIPPOLDT, a resident
adjuster,

Respondent.

Case No. 19-0761-DIS

FINAL ADMINISTRATIVE ORDER

That on October 14, 2020, a show cause hearing was held on the Oklahoma Insurance Department's ("OID") *Notice of Hearing and Order to Show Cause*, filed September 30, 2020. The hearing was held at the offices of the OID before Independent Hearing Examiner Charles Alden, III. Present at the hearing were Teresa L. Green, Assistant General Counsel for the OID; Courtney Khodabakhsh for the OID's Licensing Division; April Moore for the OID's Anti-Fraud Division; and Allen Thomas Lippoldt, Respondent.

Upon consideration of the evidence, the Hearing Examiner makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. That the OID has jurisdiction over the subject matter of this action pursuant to 36 O.S. §§ 101-7301.
2. That the Insurance Commissioner has the authority to render an Order concerning the above-styled matter and has lawfully appointed Independent Hearing Examiner, Charles Alden, III, who sat as a quasi-judicial officer pursuant to 36 O.S. § 319.

3. On or about April 9, 2018, Respondent submitted an application for a public adjuster license. The application listed Construction Estimator as employment. This response triggered additional questions by the OID. (Testimony of Courtney Khodabakhsh and Petitioner's Exhibit 1).

4. On or about April 17, 2018, Respondent provided supplemental information to the OID that he was the owner of Ultimate Estimating Services ("UES"), which would be building detailed scopes and estimates for construction. Additionally, Respondent stated he was self-employed. (Testimony of Courtney Khodabakhsh and Exhibits 7–8).

5. On or about May 2, 2018, Respondent was issued a public adjuster license in Oklahoma. Respondent's license was scheduled to expire. (Testimony of Courtney Khodabakhsh and Exhibit 1).

6. Pursuant to Amended Executive Order 2020-20 (the "Executive Orders"), "[a]ll occupational licenses issued by any agency . . . of the State of Oklahoma that expire during this emergency shall be extended. All occupational licenses extended during this Order will expire fourteen (14) days following the withdrawal or termination of this Order." The Executive Order is effective until 30 days after the filing of the order. The Executive Order was filed on June 12, 2020. Further, the Governor has continued to renew the Executive Order to date. Therefore, Respondent's license did not expire. (Testimony of Courtney Khodabakhsh and Petitioner's Exhibits 2–6).

7. On or about June 14, 2018, the Anti-Fraud Unit of the OID received a complaint from Travelers Indemnity Company ("Travelers") alleging that Respondent directed an insured to obtain services from a company he had financial interest in and/or received direct or indirect compensation for the referral. (Testimony of April Moore).

8. The investigation by Investigator April Moore of the OID revealed that insured Billy Davis, owner of Audio Plus Cellular Systems (“Audio Plus”), submitted a claim to Travelers; and Respondent contracted with Mr. Davis to provide services as a public adjuster. (Testimony of April Moore and Exhibits 14–15).

9. The public adjuster contract states “[t]he PUBLIC ADJUSTER will collect the entire FEE FOR SERVICE from Ultimate Roofing and Construction.” The page referencing the fee payment is not initialed by the insured. The page referencing the fee payment is not initialed by the insured. (Testimony of April Moore and Exhibit 15).

10. The public adjuster contract does not state a specific fee amount or percentage. (Exhibit 15).

11. Ultimate Roofing and Construction (“URC”) was contracted to perform the repairs for Audio Plus under this claim. (Testimony of April Moore).

12. Travelers paid Respondent for the claim. Respondent deposited the claim check and issued a cashier’s check to Mr. Davis. (Testimony of April Moore and Exhibit 17 & 19–20).

13. Respondent was paid \$1,468.81 on or about September 7, 2018 from URC for his services as a public adjuster. (Testimony of April Moore and Exhibit 21).

14. URC is co-owned by Bobby Smith and Crystal Smith. (Testimony of April Moore and Exhibit 11).

15. Respondent started working with URC in approximately 2017. (Testimony of April Moore).

16. URC paid for Respondent’s office suite, which was previously an office for Crystal Smith, co-owner of URC. (Testimony of April Moore).

17. URC paid Respondent a base salary and commissions every two (2) weeks as a 1099-contract employee. (Testimony of April Moore).

18. Respondent's pay from URC ranged from \$1,200 to \$2,000 each pay period. (Testimony of April Moore).

19. Crystal Smith, co-owner of URC, had not heard of UES prior to speaking with OID investigator April Moore. (Testimony of April Moore).

20. Krystina Harris, the office manager for both Respondent and URC offices, had not heard of UES prior to speaking with OID investigator April Moore. (Testimony of April Moore).

21. UES' registered agent is Bobby Smith. (Testimony of April Moore and Exhibit 12).

22. On or about October 2, 2017, Respondent posted on his personal Facebook page that "[o]ur company, Ultimate Roofing and Construction is looking for an office assistant." (Testimony of April Moore and Exhibit 22).

23. The OID has mailed correspondence to Respondent, which has been returned undeliverable. (Testimony of April Moore and Exhibit 23).

24. To date, Respondent has not updated his address with the OID. (Testimony of April Moore and Exhibit 1).

CONCLUSIONS OF LAW

25. Respondent violated 36 O.S. § 6220(A)(1) for material misrepresentation or fraud in obtaining an adjuster's license when (1) Respondent did not report that he worked for URC; (2) he stated that he was self-employed and owned UES, which the co-owner of URC and office manager for Respondent's office complex had never heard of; and (3) he received regular base pay, commissions, and a paid office space from URC.

26. Respondent violated 36 O.S. § 6220(A)(2) for any cause for which original issuance of a license could have been refused when (1) Respondent did not report that he worked for URC; (2) he stated that he was self-employed and owned UES, which the co-owner of URC and office manager for Respondent's office complex had never heard of; and (3) when he received regular base pay, commissions, and a paid office space from URC.

27. Respondent violated 36 O.S. § 6220(A)(6) by showing himself to be incompetent, untrustworthy or a source of injury to the public in the conduct of business affairs through the following actions: (1) material misrepresentation or fraud in obtaining his adjuster license by not disclosing his employment with URC; (2) having a, direct or indirect, pecuniary interest in a construction company which furnished services for Mr. Davis, the claimant which Respondent had a contract for public adjuster services with; (3) for not disclosing his fee in the public adjuster contract with Mr. Davis nor having Mr. Davis or himself initial the fee provision; and (4) not keeping mailing address updated with the OID.

28. Respondent violated 36 O.S. § 6220(A)(15) by failing to inform the OID of a change of address within thirty (30) days of the change for having an invalid address on file.

29. Respondent violated 36 O.S. § 6220(A)(8) by violation of provisions of the Insurance Adjusters Licensing Act when Respondent, directly or indirectly, owning or having a pecuniary interest in a business entity which provides construction or reconstruction related services on behalf of an insurance claimant or insured for which the adjuster is providing services for (1) being paid as a 1099-contract employee of URC, which provided construction services for the Audio Plus claim; (2) having office space paid for by URC, which provided construction services for the same claim; and (3) providing adjuster services for Audio Plus in the same claim that URC provided construction services—prohibited under 36 O.S. § 6220.1.

30. Respondent violated 36 O.S. § 6220(A)(8) by violation of provisions of the Insurance Adjusters Licensing Act when Respondent executed a public adjuster contract with Audio Plus which does not provide the full salary, fee, commission, compensation or other considerations the Respondent was to receive for services nor indicating the agreement with initials by both the Respondent and Audio Plus next to the fee provision in the contract—both expressly required under 36 O.S. § 6216.2.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that it has been established by clear and convincing evidence that Respondent Allen Thomas Lippoldt violated 36 O.S. §§ 6220(A)(1), (2), (6), (8), & (15) and, as a result, his resident public adjuster license is hereby **REVOKED**.

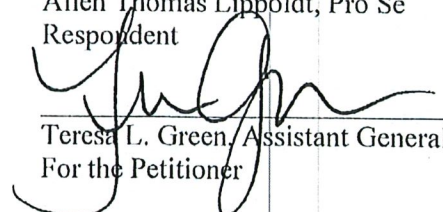
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Respondent is ordered to pay the costs of the proceedings in the amount of TWO HUNDRED FIFTY DOLLARS (\$250.00). The costs are to be paid by money order or cashier's check to the Oklahoma Insurance Department within thirtyth (30) days of this Final Administrative Order.

Done this 10 day of October, 2020.


CHARLES ALDEN, III
INDEPENDENT HEARING EXAMINER
OKLAHOMA INSURANCE DEPARTMENT

Approved by:

Allen Thomas Lippoldt, Pro Se
Respondent


Teresa L. Green, Assistant General Counsel
For the Petitioner

