

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

FILED

AUG 13 2020

**INSURANCE COMMISSIONER
OKLAHOMA**

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

Petitioner,

v.

**M&M Sales, Inc.,
a formerly licensed professional employer
organization doing business in the State of
Oklahoma,**

Respondent.

Case No. 20-0165-DIS

**AMENDED 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 his attorney, Kayla M. Rochelle, and alleges and states as follows:

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.; and the Oklahoma Professional Employer Organization Recognition and Registration Act, 40 O.S. §§ 600.1-600.9.

2. M&M Sales, Inc. ("Respondent") was a domestic, formerly licensed professional employer organization ("PEO") doing business in the State of Oklahoma under license #44201058. Respondent's address of record is 10700 S. Lynn Lane, Broken Arrow, Oklahoma 74011.

3. The Insurance Commissioner has jurisdiction over the subject matter raised in

this dispute and may issue penalties pursuant to 40 O.S. § 600.9 and Okla. Admin. Code § 365:25-30-4.

ALLEGATIONS OF FACT

4. On or about March 22, 2016, Respondent submitted an application to renew its PEO license with the Oklahoma Insurance Department (“OID”).

5. On or about March 31, 2016, Respondent’s license expired due to its failure to timely submit a fully completed renewal application (i.e., an audited or reviewed financial statement evidencing a minimum net worth of \$50,000 and a Letter of Compliance not attached) pursuant to 40 O.S. §§ 600.4(B)(1) and 600.6(A).

6. On or about March 3, 2020, the OID’s Regulated Industry Services Division (“RIS Division”) received an email from an Oklahoma resident who was “trying to verify whether or not the PEO we are working with is actually licensed in Oklahoma” because the PEO was not included on the Department’s list of licensed PEOs pursuant to 40 O.S. § 600.4(H). The resident provided Respondent’s information (i.e., name and website).

7. Respondent’s website refers to itself as a PEO in numerous ways. On Respondent’s homepage, it states “[a]s a PEO, M&M Sales can help you design an employee benefits package.” Respondent’s “About” page provides basic information about PEOs (i.e., a definition of a PEO, a definition of co-employment, how a co-employment relationship works, and the benefits of working with a PEO). Respondent’s “Services” page makes several references to “employee leasing companies” and lists some of the benefits that an employer and employee will receive by working with Respondent.

ALLEGED VIOLATIONS OF LAW

8. Pursuant to 40 O.S. § 600.4(A), “no person shall, unless the person is registered

as a PEO or PEO Group under the Oklahoma Professional Employer Organization Recognition and Registration Act, provide, advertise, or otherwise hold itself out as providing professional employer services in this state.”

9. Respondent violated 40 O.S. § 600.4(A) by advertising or holding itself out as providing professional employer services in Oklahoma without a current Oklahoma PEO license.

10. Pursuant to 40 O.S. § 600.9 and Okla. Admin. Code § 365:25-30-4, “[t]he Insurance Commissioner may refuse to register any person, suspend or revoke the registration of any professional employer organization [who has violated any of the provisions of this section, rules lawfully promulgated by the Commissioner, or the conditions of financial assurances required by the Oklahoma Professional Employer Organization Recognition and Registration Act.] In addition to or in lieu of any applicable denial, suspension or revocation, the applicant or professional employer organization may be subject to an administrative fine of not less than One-Hundred Dollars (\$100.00) nor more than One Thousand Dollars (\$1,000.00) for each violation of the Oklahoma Professional Employer Organization Recognition and Registration Act.”

ORDER

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED by the Insurance Commissioner, subject to the following paragraph, that the Respondent hereby shall be fined **Five Hundred Dollars (\$500.00)** for violating 40 O.S. § 600.4(A). Respondent shall pay the \$500.00 fine **within thirty (30) days** of the date of this Amended Conditional Administrative Order. Said payment shall be made payable to the Oklahoma Insurance Department.

IT IS FURTHER ORDERED by the Insurance Commissioner that, upon receipt of

the \$500.00 payment, Respondent may submit an application for a PEO license as a new licensee.

IT IS FURTHER ORDERED that Respondent shall immediately discontinue all professional employer services in the State of Oklahoma, and to Oklahoma residents until such time as Respondent is appropriately licensed.

Respondent is further notified that it may request a hearing within **thirty (30) days of the date of mailing of this Order**. If Respondent does not request a hearing within **thirty (30) days** of the date mailing of this Order, this Amended Conditional Administrative Order shall become a **FINAL ORDER** on the **thirtieth (30th)** day following mailing of this Order.

A request for hearing shall be made in writing to Kayla M. Rochelle, Assistant General Counsel, Oklahoma Insurance Department, Legal Division, 400 NE 50th Street, Oklahoma City, Oklahoma 73105. The request for hearing must state the grounds to set aside or modify this Amended Conditional Administrative Order. Upon such request, a hearing shall be conducted before an independent hearing examiner.

The 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 et seq. If Respondent timely serves a request for hearing, this Amended 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 Amended Conditional Order shall be considered withdrawn, pending final resolution of this matter through hearing.

WITNESS My Hand and Official Seal this 13th day of August 2020.



Glen Mulready
Insurance Commissioner
State of Oklahoma

s/ Kayla M. Rochelle
Kayla M. Rochelle, OBA #34014
Assistant General Counsel
400 NE 50th Street
Oklahoma City, OK 73105
Telephone: 405-521-4036
Facsimile: 405-522-0125
Email: Kayla.Rochelle@oid.ok.gov

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing Amended Conditional Administrative Order and Notice of Right to be Heard was mailed by certified mail, with postage prepaid and return receipt requested, on this 31st day of August, 2020, to:

M&M Sales, Inc.
10700 S. Lynn Lane
Broken Arrow, OK 74011

CERTIFIED MAIL NO. *9214 8902 0982 7500 0306 61*

M&M Sales/Outsourcing
2017 South Elm
Ste 108
Broken Arrow, OK 74012-7034

CERTIFIED MAIL NO. *9214 8902 0982 7500 0306 78*

And a copy was delivered to:

Deborah Thetford
Regulated Industry Services Division


Kayla M. Rochelle



**OKLAHOMA
INSURANCE
DEPARTMENT**

Legal Division
Insurance Commissioner Glen Mulready
400 NE 50th Street
Oklahoma City, OK 73105

UTK

RECEIVED
OKLAHOMA INSURANCE DEPARTMENT
AUG 26 2020
Legal Division

CERTIFIED MAIL™

USPS CERTIFIED MAIL



9214 8902 0982 7500 0306 61

M&M SALES INC
10700 S LYNN LANE RD
BROKEN ARROW OK 74011-4001

NEOPOST

FIRST-CLASS MAIL

08/13/2020

US POSTAGE \$006.45⁰⁰



ZIP 73105
041M11455007

20-0145
ANOSC

RECEIVED
OKLAHOMA INSURANCE DEPARTMENT
AUG 26 2020
MAILROOM

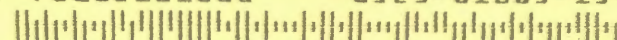
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RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

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BC: 73105181600 *0529-01803-13-39





Date Produced: 08/31/2020

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0306 61. Our records indicate that this item was delivered on 08/26/2020 at 09:14 a.m. in OKLAHOMA CITY, OK 73105. The scanned image of the recipient information is provided below.

Signature of Recipient :

SF506
C#14

Address of Recipient :

400504

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

M&M SALES INC
10700 S LYNN LANE RD
BROKEN ARROW OK 74011-4001

Customer Reference Number: C2214904.12589453

Return Reference Number: SMS/20-0165-DIS (KMR)/Amd Cond Ord

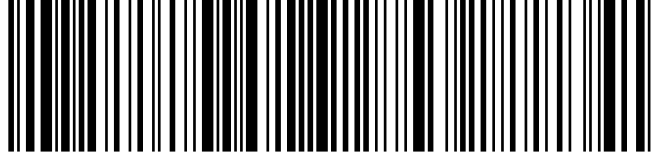
**Return address:**

OKLAHOMA INSURANCE DEPARTMENT
5 CORPORATE PLAZA
OKLAHOMA CITY, OK 73112

**Recipient address:**

M&M SALES INC
10700 S LYNN LANE RD
BROKEN ARROW OK 74011-4001

MAILING DATE: 08/13/2020
DELIVERY DATE: 08/26/2020

USPS CERTIFIED MAIL

9214 8902 0982 7500 0306 61

USPS Tracking Label Number: 9214 8902 0982 7500 0306 61

USPS Tracking History	Location	Date / Time
PRE-SHIPMENT INFO SENT USPS AWAITS ITEM	OKLAHOMA CITY,OK 73105	08/13/2020 15:41
SHIPMENT RECEIVED ACCEPTANCE PENDING	OKLAHOMA CITY,OK 73118	08/13/2020 16:00
ORIGIN ACCEPTANCE	OKLAHOMA CITY,OK 73105	08/13/2020 18:20
PROCESSED THROUGH USPS FACILITY	OKLAHOMA CITY,OK 73107	08/13/2020 19:35
DEPART USPS FACILITY	OKLAHOMA CITY,OK 73107	08/13/2020 21:01
PROCESSED THROUGH USPS FACILITY	TULSA,OK 74141	08/14/2020 15:07
DEPART USPS FACILITY	TULSA,OK 74141	08/14/2020 21:00
FORWARD EXPIRED	BROKEN ARROW,OK 74011	08/15/2020 09:15
MOVED LEFT NO ADDRESS	BROKEN ARROW,OK 74012	08/15/2020 16:25
PROCESSED THROUGH USPS FACILITY	OKLAHOMA CITY,OK 73107	08/22/2020 23:34
PROCESSED THROUGH USPS FACILITY	OKLAHOMA CITY,OK 73107	08/24/2020 18:46
PROCESSED THROUGH USPS FACILITY	OKLAHOMA CITY,OK 73107	08/25/2020 20:57
PROCESSED THROUGH USPS FACILITY	OKLAHOMA CITY,OK 73107	08/26/2020 00:47
RETURN TO SENDER TO ORIGINAL SENDER	OKLAHOMA CITY,OK 73105	08/26/2020 09:14

CASE NUMBER: 20-164-DIS

DEPARTMENT: LEGAL/KMR

SENDER: SMS

CUSTOM 4: AMENDED CONDITIONAL ADMINISTRATIVE ORDER & NOTICE OF RIGHT TO BE HEARD



**OKLAHOMA
INSURANCE
DEPARTMENT**

Legal Division
Insurance Commissioner Glen Mulreac
400 NE 50th Street
Oklahoma City, OK 73105

RECEIVED
OKLAHOMA INSURANCE DEPARTMENT

SEP 08 2020

Legal Division

CERTIFIED MAIL™

USPS CERTIFIED MAIL



9214 8902 0982 7500 0306 78

M&M SALES/OUTSOURCING
2017 S ELM PL STE 108
BROKEN ARROW OK 74012-7034

NEOPOST

FIRST-CLASS MAIL

08/13/2020

US POSTAGE \$006.45⁰



ZIP 73105
041M11455007

20-0165-
ANLSC

RECEIVED
OKLAHOMA INSURANCE DEPARTMENT

SEP 08 2020

MAILROOM

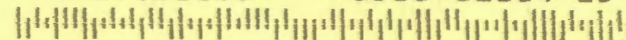
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RETURN TO SENDER
REFUSED
UNABLE TO FORWARD

BC: 73105181600 *0529-01804-13-39

1539801070118889

74012870345
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Date Produced: 09/14/2020

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0306 78. Our records indicate that this item was delivered on 09/08/2020 at 12:20 p.m. in OKLAHOMA CITY, OK 73105. The scanned image of the recipient information is provided below.

Signature of Recipient :

FL
CV19 506

Address of Recipient :

400 N E 50th

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

M&M SALES/OUTSOURCING
2017 S ELM PL STE 108
BROKEN ARROW OK 74012-7034

Customer Reference Number: C2214904.12589454

Return Reference Number: SMS/20-0165-DIS (KMR)//Amd Cond Ord

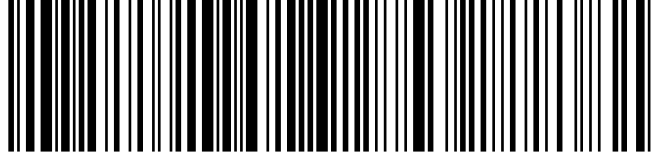
**Return address:**

OKLAHOMA INSURANCE DEPARTMENT
5 CORPORATE PLAZA
OKLAHOMA CITY, OK 73112

**Recipient address:**

M&M SALES/OUTSOURCING
2017 S ELM PL STE 108
BROKEN ARROW OK 74012-7034

MAILING DATE: 08/13/2020
DELIVERY DATE: 09/08/2020

USPS CERTIFIED MAIL

9214 8902 0982 7500 0306 78

USPS Tracking Label Number: 9214 8902 0982 7500 0306 78

USPS Tracking History	Location	Date / Time
PRE-SHIPMENT INFO SENT USPS AWAITS ITEM	OKLAHOMA CITY,OK 73105	08/13/2020 15:41
SHIPMENT RECEIVED ACCEPTANCE PENDING	OKLAHOMA CITY,OK 73118	08/13/2020 16:00
ORIGIN ACCEPTANCE	OKLAHOMA CITY,OK 73105	08/13/2020 18:20
PROCESSED THROUGH USPS FACILITY	OKLAHOMA CITY,OK 73107	08/13/2020 19:35
DEPART USPS FACILITY	OKLAHOMA CITY,OK 73107	08/13/2020 21:01
PROCESSED THROUGH USPS FACILITY	TULSA,OK 74141	08/14/2020 09:25
DEPART USPS FACILITY	TULSA,OK 74141	08/14/2020 21:00
FORWARDED	BROKEN ARROW,OK 74012	08/15/2020 09:52
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PROCESSED THROUGH USPS FACILITY	OKLAHOMA CITY,OK 73107	08/24/2020 21:40
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CASE NUMBER: 20-0165-DIS

DEPARTMENT: LEGAL/KMR

SENDER: SMS

CUSTOM 4: AMENDED CONDITIONAL ADMINISTRATIVE ORDER & NOTICE OF RIGHT TO BE HEARD