

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
NOV 17 2020
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
v.)
)
DAVY CLINT ADAMS)
a resident producer,)
)
)
Respondent.)

Case No. 20-0282-DIS

FINAL ADMINISTRATIVE ORDER

This matter is a disciplinary proceeding under the Oklahoma Producer Licensing Act, 36 O.S. §§ 1435.1 et seq. On November 4, 2020, a show cause hearing was held at the Oklahoma Insurance Department (“OID”) on OID’s *Notice of Hearing and Order to Show Cause* (“Notice”), filed September 2, 2020. The hearing was held at the offices of OID before Independent Hearing Examiner John Miller. Present at the hearing were Antuanya “Bo” DeBose, Assistant General Counsel for OID, April Moore for OID’s Anti-Fraud Division and Maria Torres for OID’s Legal Division. After several attempts at service, Respondent Davy Clint Adams (“Respondent”) failed to appear.

Witnesses were sworn and testified, exhibits were admitted, and argument of the parties heard.

FINDINGS OF FACT

1. The OID has jurisdiction over the subject matter of this action pursuant to 36 O.S. §§101-7401, including the Oklahoma Producer Licensing Act, 36 O.S. §1435.1 et seq.
2. That the Insurance Commissioner has the authority to render an Order concerning the above styled matter and has lawfully appointed Independent Hearing Examiner, John

Miller, who shall sit as a quasi-judicial officer pursuant to 36 O.S. §319.

3. Respondent holds a resident producer license number 103400 and is licensed by the State of Oklahoma. Respondent's address of record is 2600 Lakewood Drive, Chickasha, Oklahoma 73018-6163.

4. 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 36 O.S. 1435.13(A) and (D).

5. Petitioner afforded Respondent an opportunity for hearing by sending the *Notice* by certified mail return receipt requested and by first class U.S. mail on September 2, 2020 to Respondent at his address of record with the Department. The *Notice*, filed on September 2, 2020, stated the matters asserted, and stated the time, place, and nature of the hearing, cited legal authority and jurisdiction, and referred to particular sections of the statutes involved.

6. The hearing was recorded electronically by an employee of the Oklahoma Insurance Department. Neither party requested a full stenographic record of the proceedings.

7. The following exhibits were introduced and admitted:

- a. Exhibit A: OID's *Conditional Administrative Order and Notice of Right to be Heard* for 18-0752-DIS filed October 15, 2018.
- b. Exhibit B: Criminal Information for CF-2019-95 from Grady County filed April 30, 2019.
- c. Exhibit C: OID Minute for 18-0752-DIS filed November 6, 2018.
- d. Exhibit D: Letter from Allstate to OID Investigator April Moore dated October

1, 2019.

- e. Exhibit E: Email from ADA Shayne Melton to OID Investigator April Moore dated January 14, 2020.

8. The following witnesses were sworn and testified under oath:

- a. Maria Torres, with OID Legal Division
- b. April Moore, Investigator with OID.

9. On October 15, 2018, OID filed and mailed by certified mail and first class mail a Conditional Administrative Order, fining Respondent five hundred dollars (\$500.00) and ordering him to provide a response to OID regarding complaints made by consumers. A copy of the Conditional Administrative Order was also emailed to Respondent at his address of record. Respondent failed to pay the fine or provide a response to OID. (See Exhibit A, Exhibit C and the testimony of Maria Torres).

10. Allstate assigned investigator Michael Nutt to investigate Respondent. OID assigned Investigator April Moore to investigate Respondent as well. During the investigation, six (6) consumers were identified as making premium payments to Respondent, but then received no credit towards their accounts. Respondent took the consumers' payment and issued an internal receipt, but then fail to credit the money to the consumers' respective account. Respondent would instead keep the money for himself. The consumers provided documentation which included checks and receipts as proof of their payment. Allstate referred the matter to the Grady County District Attorney. (See testimony of April Moore and Exhibit B).

11. Allstate terminated Respondent's appointment with their company for withholding and misappropriating up to six (6) consumer's premium payments. (See Exhibit D and

testimony of April Moore).

12. As a result of misappropriating six (6) consumer's premium payments, Respondent was charged with one count of Embezzlement in Grady County Oklahoma case number CF-2019-00095. Respondent paid the restitution in full and the case was dismissed. (See Exhibit B, Exhibit E, and the testimony of April Moore).

CONCLUSIONS OF LAW

13. That OID has jurisdiction over this matter and Respondent pursuant to *36 O.S. 1435.1 et seq.*

14. That Respondent is licensed by OID as a resident producer pursuant to *36 O.S. §1435.1 et seq.*

15. That Respondent was provided adequate notice and a hearing pertaining to the *Notice*, in accordance with the Oklahoma Insurance Code and Oklahoma Administrative Procedures Act.

16. Based upon the provided findings of fact there is clear and convincing evidence to find that Respondent violated the following:

- a. *36 O.S. §1435.13(A)(2)* by failing to comply with the "*Conditional Administrative Order and Notice of Right to be Heard*" filed and mailed to Respondent October 15, 2018. Respondent did not pay the five hundred dollar (\$500.00) fine or provide a response to OID's inquiry.
- b. *36 O.S. §1435.13(A)(4)* by improperly withholding and misappropriating up to six (6) consumers' premium payments.

17. Pursuant to the provisions of *36 O.S. §1435.13*, 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 levy a civil penalty of not less than one hundred dollars (\$100.00) nor more than one thousand dollars (\$1,000.00) for each occurrence. Said penalty may be enforced in the same manner in which civil judgements may be enforced.

ORDER

IT IS THEREFORE ORDERED that Respondent Davy Clint Adams's resident producer license number 103400 is hereby revoked. Respondent is ordered to pay the costs of the proceeding in the amount of one hundred forty-five dollars (\$145.00) and is fined five hundred dollars (\$500.00) per each of the six (6) incidents of misappropriation of insurance premiums for a total fine of three thousand dollars (\$3,000.00 total.) The Insurance Commissioner shall notify all appointing insurers of the revocation and shall notify the Central Office of the National Association of Insurance Commissioners of Respondent's revocation.

Dated this 10th day of November 2020.





John D. Miller
INDEPENDENT HEARING EXAMINER
OKLAHOMA INSURANCE DEPARTMENT

CERTIFICATE OF MAILING

I, Antuanya “Bo” DeBose, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by first class U.S. Mail and by certified mail with postage prepaid and return receipt requested on this 17th day of November, 2020 to:

Davy Clint Adams
2600 Lakewood Drive
Chickasha, Oklahoma 73018-6163

CERTIFIED MAIL NO:
9214 8902 0982 7500 0322 83

Davy Clint Adams
6608 N. Western Ave, Ste 1044
Oklahoma City, Oklahoma 73116-7326

CERTIFIED MAIL NO:
9214 8902 0982 7500 0322 90

Davy Clint Adams
daveadams@allstate.com
quotes@oilfield-insurance.com

CERTIFIED MAIL NO:
9214 8902 0982 7500 0323 06

and that a copy was delivered to:

Licensing Division



Antuanya “Bo” DeBose



Date Produced: 12/07/2020

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0322 83. Our records indicate that this item was delivered on 11/30/2020 at 10:17 a.m. in OKLAHOMA CITY, OK 73105. The scanned image of the recipient information is provided below.

Signature of Recipient :

SF SOB
#14

Address of Recipient :

400 SSW

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:

DAVY CLINT ADAMS
2600 LAKEWOOD DR
CHICKASHA OK 73018-6163

Customer Reference Number: C2377580.13594780

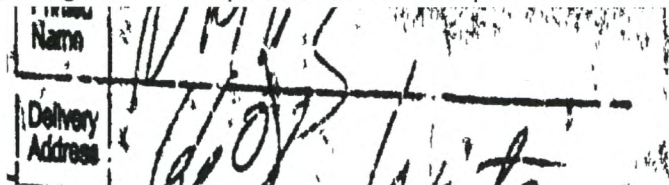


Date Produced: 11/23/2020

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0322 90. Our records indicate that this item was delivered on 11/18/2020 at 08:56 a.m. in OKLAHOMA CITY, OK 73116. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



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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:

DAVY CLINT ADAMS
6608 N. WESTERN AVE., STE. 1044
OKLAHOMA CITY, OK 73116-7326

Customer Reference Number: C2377580.13594781



Date Produced: 11/23/2020

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0323 06. Our records indicate that this item was delivered on 11/19/2020 at 11:07 a.m. in NINNEKAH, OK 73067. The scanned image of the recipient information is provided below.

Signature of Recipient :

T Adams
509109

Address of Recipient :

1222
CR 1420

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:

DAVY CLINT ADAMS
1222 COUNTY ROAD 1420
NINNEKAH OK 73067-4005

Customer Reference Number: C2377580.13594782