

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

FILED
MAY 27 2021
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex re. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
TIFFANY PATRICIA NEELY,)
a resident producer,)
)
and)
)
BROOKE NICOLE DAUGHERTY,)
a resident producer,)
)
Respondents.)

Case No. 20-0200-DIS

ORDER

This matter came on pursuant to a Notice and Order to Show Cause issued by Petitioner on June 20, 2020. Due to multiple requests for continuances by Respondent, and, to a lack of certainty from counsel for the parties as to when Respondent could be ready for trial, the undersigned issued a scheduling order on December 8, 2020. Pretrial Conference was conducted on February 16, 2021, and the matter was tried on April 22, 2021. Petitioner appeared by counsel, Antuanya “Bo” DeBose; and, Respondent appeared in person and with counsel, James M. Love and Kyle Anderson. After hearing the testimony of three witnesses and after reviewing voluminous exhibits offered by the parties the undersigned finds and orders as follows:

JURISDICTION

1. Petitioner is the Insurance Commissioner of the State of Oklahoma who is charged with the responsibility to administer and enforce the insurance laws of the State, as well as the regulations lawfully promulgated by the Oklahoma Insurance Department.

2. Respondent, Tiffany Patricia Neely, is licensed by the State of Oklahoma as an insurance producer holding license number 300018231. Her address of record is 3903 W. 105th Street S., Jenks, Oklahoma 74037.

3. The Oklahoma Insurance Department has jurisdiction of the parties and subject matter of this matter pursuant to 36 O.S., 2011 §101-7301.

FINDINGS AND CONCLUSIONS

INTRODUCTION

In the Final Pretrial Order in this matter, Petitioner alleges that Respondent violated the mandatory provisions of 36 O.S., 2011, §1435.13(A)(8) by issuing or allowing the issuance of 181 fictitious policies, and obtaining unearned commission and bonus payments from Farmers's Insurance Company while she served as its agent. Specifically, Petitioner alleges that Respondent provided Farmers with new business policies of insurance which were fictitious because they or their applications contained false banking information; many such policies contained future beginning dates; many had the same email address for the policyholder; and, many had the same telephone number for the policy holder.

Respondent denies that she issued or knowingly allowed others in her agency to issue the policies in question. She also denies that her use of "obviously false" information about policyholders constitutes fraud, coercive or dishonest practices, or, that such use demonstrates incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Oklahoma. Respondent further denies that submitting policies with future effective dates, that failing to obtain a signed memorandum of insurance constitutes fraudulent, coercive or dishonest practices or demonstrates incompetence, untrustworthiness or financial irresponsibility in the

conduct of her business in Oklahoma.

By these contentions of the Respondent, the burden has been cast upon Petitioner to prove one or more of its allegations by clear and convincing evidence.

FINDINGS OF FACT

The evidence came in the form of a sworn testimony of three witnesses, Brent Schuller, Investigative Supervisor for Farmers, Richard Cook, Investigator for the Anti-Fraud Unit of the Oklahoma Insurance Department, and Respondent, Tiffany Neely, as well as 8 voluminous exhibits consisting of, among other things as Respondents signed statements, Oklahoma Insurance Department Anti-Fraud Unit Referral, Bank Statements of Respondent's Company and folio statements for Respondent. Having considered the evidence the undersigned finds:

Respondent, Tiffany Neely, first became involved in the insurance industry when she employed with the Bradley McKinney Farmers Agency in 2017. She worked initially as a secretary during a time in which she had access to the Farmers computer system. She claims she saw other agents or producers input what she called "placeholder information" into the system at Farmers. She said she was not aware of any adverse consequences for that conduct. However, none of that testimony was corroborated by other evidence and, as it stands, is not worthy of belief. Further, she did not contend nor did she prove that she ever consulted Farmers about the use of false placeholder information during the conduct of her insurance business.

Neely worked at the McKinney Agency until February 2018, when she went to work at a State Farm Agency for six months. She opened her own agency in latter 2018. She hired Brooke Smith/Daugherty as a producer. Brooke Daugherty was her employee until 2019, when Respondent fired her for using placeholder information after both of them were ordered by Farmers to cease all

such conduct.

In 2019, Respondents' agency was reported to Farmers by its territory sales office for multiple irregularities. Farmers, thereupon, opened and conducted an investigation of sales office concerns and found 181 policies which appeared to be fictitious. Farmers identified 37 policies as having been submitted by Respondent using her user information (which, parenthetically, Neely gave to employee Daugherty, also against Farmers Insurance Company policies). The deficiencies uncovered in Farmers' investigation included:

1. Many had no signed memorandum of insurance;
2. Many had future effective dates which enabled Respondent to circumvent the necessity of securing advance payment of new business premiums thus enabling Respondent to collect commissions immediately;
3. Many policy submissions had the same email address for the policyholder.
4. 64 of the 181 policies listed the same bank account for the policyholder. When Farmers attempted to draft from the account the draft was returned marked "invalid bank account."

Even though Respondent testified she submitted the so-called placeholder information with the intention of providing the correct information when she got it, she never added any new information to any of the policies in question.

CONCLUSIONS

1. The undersigned finds that Respondent, Tiffany Neely, violated the mandatory provisions of 36 O.S., 2011, §1435.13(A)(8) by using fraudulent and dishonest practices and by demonstrating untrustworthiness and financial irresponsibility personally, and in the conduct of her insurance agency in connection with the business of Farmers Insurance Group. Specifically she:

- a. submitted or permitted the submission of false information concerning new policyholders under the guise of a so-called placeholder.
- b. by furnishing false banking information for policyholders which bank account did not exist.
- c. by submitting policies with future effective dates, thus circumventing the necessity of making new business premium payments and enabling her to collect commissions and bonuses.

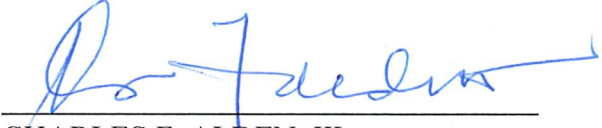
She collected advance commissions on all 181 policies.

As a result of her conduct, Respondent collected and used significant commissions when she knew or should have known that her conduct was fraudulent and financially irresponsible. Despite the fact that the commissions have been charged back to her by Farmers, Respondent nevertheless had the use of Farmers' money to its financial detriment. In addition, and through the use of false information, Respondent secured bonus payments from Farmers which were never recouped by it.

Accordingly, Respondent's Resident Producer License No. 3000183231 is suspended for a period of six (6) months. Respondent is hereby fined the sum of \$2,500.00. Respondent is ordered to pay the costs of this proceeding in the sum of \$1,968.75 all within thirty days of the date of this Order.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA



CHARLES F. ALDEN, III
HEARING EXAMINER

CERTIFICATE OF MAILING

I hereby certify that on the 27th day of May, 2021, a true and correct copy of the above and foregoing document was sent via U.S. Mail, certified mail, return receipt requested, postage prepaid thereon, to:

Jim M. Love
Kyle Anderson
Titus Hillis
First Place Tower
15 E. Fifth Street, Suite 3700
Tulsa, OK 74103-4304
Attorneys for Respondent Tiffany Patricia Neely

**CERTIFIED MAIL NO:
9214 8902 0982 7500 0378 75**

and that a copy was mailed to:

Tiffany Patricia Neely
n/k/a Tiffany Patricia Davidson
3903 W. 105th Street South
Jenks, OK 74037

**CERTIFIED MAIL NO:
9214 8902 0982 7500 0378 82**

and that a copy was delivered to:

Licensing Division



Antuanya "Bo" DeBose



20-0200-Dis
(love) ASD

Date Produced: 06/07/2021

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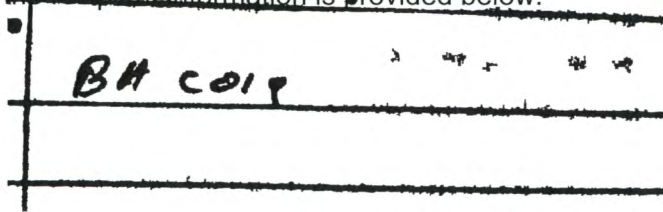
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(Neely) ASD

Date Produced: 05/31/2021

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N/K/A TIFFANY PATRICIA DAVIDSON
3903 W. 105TH STREET SOUTH
JENKS, OK 74037

Customer Reference Number: C2723057.15676825