

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

FILED

JAN 06 2021

INSURANCE COMMISSIONER  
OKLAHOMA

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

Petitioner,

v.

FAIROS RX, LLC, an applicant for a  
pharmacy benefit manager license doing  
business in the State of Oklahoma,

Respondent.

Case No. 20-0444-DIS

CONSENT ORDER

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, by and through his counsel, Kayla M. Rochelle, and Respondent FairoRx, LLC by and through counsel, Greg Castro and Samantha Masters-Brown, and consent to entry of this Order.

JURISDICTION

1. The Insurance Commissioner has jurisdiction over this case, pursuant to the provisions of the Oklahoma Insurance Code, *36 O.S. §§ 101 et seq.*; the Oklahoma Pharmacy Act, *59 O.S. §§ 357 et seq.*, and Oklahoma Administrative Code §§ 365:25-29-1 through 365:25-29-11, which specifically covers the requirements for licensure and transactions subject to the Oklahoma Pharmacy Act.

2. FairoRx, LLC ("Respondent") is a foreign pharmacy benefit manager ("PBM") domiciled in the State of Texas. Respondent is an applicant for an Oklahoma PBM license.

3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to *59 O.S. § 358(D)* and Oklahoma Administrative Code

§ 365:25-29-10.

4. Informal disposition of this matter may be made by consent order pursuant to 75 *O.S.* § 309 (*E*).

#### **STIPULATIONS OF FACT**

5. Respondent applied for an Oklahoma PBM license to the Oklahoma Insurance Department's ("OID") Regulated Industry Services Division ("RIS Division") on or about December 4, 2019.

6. Upon reviewing said application, the RIS Division discovered that Respondent's application did not comply with Okla. Admin. Code § 365:25-29-5.

7. Between December 5, 2019 and September 15, 2020, the parties corresponded by email to remedy the deficiencies with said application. Between December 5, 2019 and November 16, 2020, Respondent provided the documentation needed to process said application.

8. On or about September 14, 2020, Respondent informed the RIS Division by email that it began processing claims as a PBM in Oklahoma in January 2020. Respondent's application was still pending at that time.

9. Respondent processed pharmacy claims in Oklahoma for Oklahoma residents without a PBM license.

10. Pursuant to 59 *O.S.* § 358(*A*), in order to provide PBM services in Oklahoma, a PBM shall first obtain a license from the OID.

11. Pursuant to 59 *O.S.* § 358(*D*) and § 365:25-29-10(a), the Insurance Commissioner may suspend or revoke a PBM's license or assess a civil penalty of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00) upon determining that a PBM has violated any provisions of the Oklahoma Pharmacy Act, 59 *O.S.* §§ 357-360.

**CONCLUSIONS OF LAW**

12. Respondent violated 59 O.S. § 358(A) and Okla. Admin. Code § 365:25-29-11(b)(2) by processing PBM claims for Oklahoma residents without a license.

**ORDER**

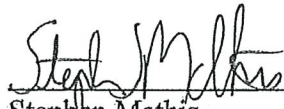
**IT IS THEREFORE ORDERED BY THE COMMISSIONER AND AGREED BY RESPONDENT** that Respondent will pay the Commissioner a civil penalty in the amount of **Five Thousand Dollars (\$5,000.00)** in consequence of the above-mentioned violations. The \$5,000.00 fine shall be made payable to the Oklahoma Insurance Department and may be paid by check, cashier's check, or money order.

**IT IS FURTHER ORDERED BY THE COMMISSIONER** that Respondent will continue to comply with the Oklahoma Pharmacy Act, 59 O.S. §§ 357 *et seq.*, and Oklahoma Administrative Code §§ 365:25-29-1 through 365:25-29-11.


**WITNESS** My Hand and Official Seal this 23 day of December 2020.



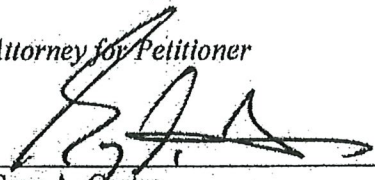
GLEN MULREADY  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

  
\_\_\_\_\_  
Stephen Mathis  
Hearing Examiner  
Oklahoma Insurance Department

AGREED TO:

  
\_\_\_\_\_  
Kayla M. Rochelle  
Assistant General Counsel  
Oklahoma Insurance Department  
400 N.E. 50<sup>th</sup> Street  
Oklahoma City, OK 73105

*Attorney for Petitioner*

  
\_\_\_\_\_  
Greg A. Castro  
FELLERS, SNIDER, BLANKENSHIP,  
BAILEY & TIPPENS, P.C.  
100 N. Broadway, Suite 1700  
Oklahoma City, OK 73102-9211

Samantha G. Masters-Brown, (*pro hac vice pending*)  
The Phoenix Law Group, PLC  
8765 East Bell Road, Suite 101  
Scottsdale, AZ 85260

*Attorneys for Respondent*

Designated by:  
  
\_\_\_\_\_  
Alex Fairly 4037419...  
Member/Manager  
FairosRx, LLC

*Respondent*



**CERTIFICATE OF MAILING**

I hereby certify that a true and correct copy of the above and foregoing Notice of Hearing and Order to Show Cause was mailed by certified mail, postage prepaid and return receipt requested, by regular mail, and by electronic mail on this 10th day of ~~November 2020~~ January, 2021 to:

FairosRx, LLC  
1800 S. Washington  
Suite 100  
Amarillo, TX 79102

9214 8902 0982 7500 0333 41

**CERTIFIED MAILING NO.**

Greg A. Castro  
Fellers, Snider, Blankenship, Bailey & Tippens, P.C.  
100 N. Broadway  
Suite 1700  
Oklahoma City, OK 73102-9211  
[gcastro@fellerssnider.com](mailto:gcastro@fellerssnider.com)

**CERTIFIED MAILING NO.**

9214 8902 0982 7500 0333 58

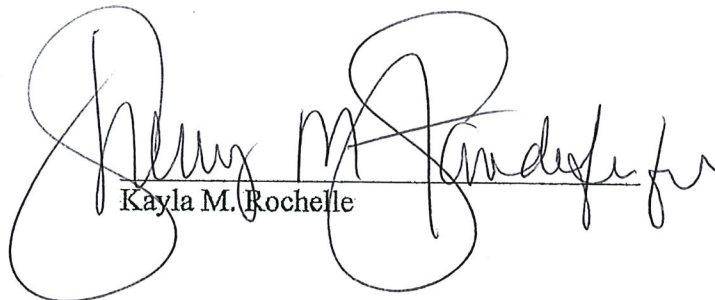
Samantha G. Masters-Brown  
The Phoenix Law Group, PLC  
8765 East Bell Road  
Suite 101  
Scottsdale, AZ 85260  
[sbrown@phoenixlawgroup.com](mailto:sbrown@phoenixlawgroup.com)

**CERTIFIED MAILING NO.**

9214 8902 0982 7500 0333 65

and that a copy was delivered to:

Jeanette Pearce  
Regulated Industry Services Division

  
Kayla M. Rochelle

## Sherry Standerfer

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**From:** Samantha Brown <SBrown@PhoenixLawGroup.com>  
**To:** Sherry Standerfer  
**Sent:** Wednesday, January 6, 2021 5:43 PM  
**Subject:** Read: St v. FairosRx, LLC/20-0444-DIS

Your message

To: Samantha Brown  
Subject: St v. FairosRx, LLC/20-0444-DIS  
Sent: Wednesday, January 6, 2021 4:27:57 PM (UTC-07:00) Mountain Time (US & Canada)

was read on Wednesday, January 6, 2021 4:43:19 PM (UTC-07:00) Mountain Time (US & Canada).

## Sherry Standerfer

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**From:** Microsoft Outlook  
**To:** gcastro@fellersnider.com; Samantha Brown  
**Sent:** Wednesday, January 6, 2021 5:28 PM  
**Subject:** Relayed: St v. FairoRx, LLC/20-0444-DIS

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[gcastro@fellersnider.com](mailto:gcastro@fellersnider.com) ([gcastro@fellersnider.com](mailto:gcastro@fellersnider.com))

[Samantha Brown \(SBrown@PhoenixLawGroup.com\)](mailto:SBrown@PhoenixLawGroup.com)

Subject: St v. FairoRx, LLC/20-0444-DIS

Track Another Package +

Tracking Number: 9214890209827500033341

Remove X

This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

Reminder to Schedule Redelivery of your item

Get Updates v

Feedback

Text & Email Updates	v
Return Receipt Electronic	v
Tracking History	^

Reminder to Schedule Redelivery of your item  
This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

January 9, 2021, 11:42 am  
Available for Pickup  
AMARILLO, TX 79120

January 9, 2021, 8:29 am  
Delivery Attempted - No Access to Delivery Location  
AMARILLO, TX 79102



**January 9, 2021, 6:10 am**

Out for Delivery

AMARILLO, TX 79102

**January 9, 2021, 5:26 am**

Arrived at Post Office

AMARILLO, TX 79120

**January 8, 2021, 9:31 pm**

Departed USPS Regional Facility

AMARILLO TX DISTRIBUTION CENTER

**January 8, 2021, 7:41 pm**

Arrived at USPS Regional Destination Facility

AMARILLO TX DISTRIBUTION CENTER

**January 8, 2021**

In Transit to Next Facility

**January 7, 2021, 7:41 am**

Departed USPS Regional Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER

**January 6, 2021, 11:13 pm**

Arrived at USPS Regional Origin Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER

**January 6, 2021, 9:58 pm**

Accepted at USPS Origin Facility

OKLAHOMA CITY, OK 73105

**January 6, 2021, 3:53 pm**

Shipment Received, Package Acceptance Pending

OKLAHOMA CITY, OK 73118

**January 6, 2021**

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Feedback

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**Product Information**

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**See Less**

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**FAQs**

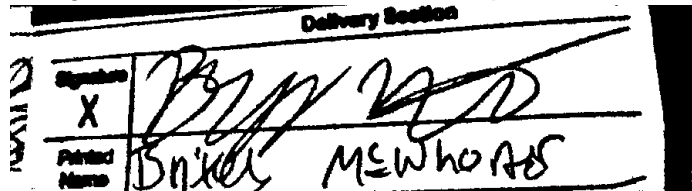
Feedback

Date Produced: 01/11/2021

**OKLAHOMA INSURANCE DEPARTMENT:**

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0333 58. Our records indicate that this item was delivered on 01/07/2021 at 09:54 a.m. in OKLAHOMA CITY, OK 73102. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



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:

GREG A CASTRO  
FELLERS SNIDER BLAKENSHIP BAILEY & TIPPENS P C  
STE 1700  
100 N BROADWAY AVE  
OKLAHOMA CITY OK 73102-8805

Customer Reference Number: C2450396.14076693

Return Reference Number SMS/20-0444-DIS (KMR)/Const Ord



**Return address:**

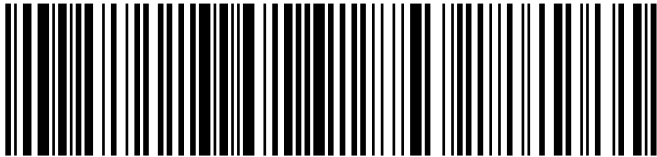
OKLAHOMA INSURANCE DEPARTMENT  
5 CORPORATE PLAZA  
OKLAHOMA CITY, OK 73112

**Recipient address:**

GREG A CASTRO  
FELLERS SNIDER BLAKENSHIP BAILEY & TIPPENS P C  
STE 1700  
100 N BROADWAY AVE  
OKLAHOMA CITY OK 73102-8805

MAILING DATE: 01/06/2021  
DELIVERY DATE: 01/07/2021

**USPS CERTIFIED MAIL**



9214 8902 0982 7500 0333 58

**USPS Tracking Label Number: 9214 8902 0982 7500 0333 58**

USPS Tracking History	Location	Date / Time
PRE-SHIPMENT INFO SENT USPS AWAITS ITEM	OKLAHOMA CITY,OK 73105	01/06/2021 15:36
SHIPMENT RECEIVED ACCEPTANCE PENDING	OKLAHOMA CITY,OK 73118	01/06/2021 15:53
ORIGIN ACCEPTANCE	OKLAHOMA CITY,OK 73105	01/06/2021 21:58
PROCESSED THROUGH USPS FACILITY	OKLAHOMA CITY,OK 73107	01/06/2021 23:13
DEPART USPS FACILITY	OKLAHOMA CITY,OK 73107	01/07/2021 07:41
DELIVERED LEFT WITH INDIVIDUAL	OKLAHOMA CITY,OK 73102	01/07/2021 09:54

CASE NUMBER: 20-0444-DIS  
DEPARTMENT: LEGAL/KMR  
SENDER: SMS  
CUSTOM 4: CONSENT ORDER

Date Produced: 01/18/2021

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0333 65. Our records indicate that this item was delivered on 01/11/2021 at 03:10 p.m. in SCOTTSDALE, AZ 85260. The scanned image of the recipient information is provided below.

Signature of Recipient :  
(Authorized Agent)

City Letter Carrier  
Charlotte Lockwood  
S. BROWN

Address of Recipient :

8765 E Bell Rd #101  
C19 - RT6080 CCL  
ITEM IN MAIL BOX

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:

SAMANTHA G MASTERS-BROWN  
THE PHOENIX LAW GROUP PLC  
STE 101  
8765 E BELL RD  
SCOTTSDALE AZ 85260-1320

Customer Reference Number: C2450396.14076694

Return Reference Number SMS/20-0444-DIS (KMR)/Const Ord

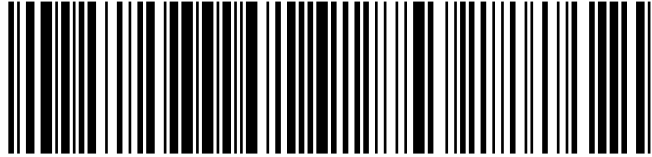
**Return address:**

OKLAHOMA INSURANCE DEPARTMENT  
5 CORPORATE PLAZA  
OKLAHOMA CITY, OK 73112

**Recipient address:**

SAMANTHA G MASTERS-BROWN  
THE PHOENIX LAW GROUP PLC  
STE 101  
8765 E BELL RD  
SCOTTSDALE AZ 85260-1320

MAILING DATE: 01/06/2021  
DELIVERY DATE: 01/18/2021

**USPS CERTIFIED MAIL**

9214 8902 0982 7500 0333 65

**USPS Tracking Label Number: 9214 8902 0982 7500 0333 65**

USPS Tracking History	Location	Date / Time
PRE-SHIPMENT INFO SENT USPS AWAITS ITEM	OKLAHOMA CITY,OK 73105	01/06/2021 15:36
SHIPMENT RECEIVED ACCEPTANCE PENDING	OKLAHOMA CITY,OK 73118	01/06/2021 15:53
ORIGIN ACCEPTANCE	OKLAHOMA CITY,OK 73105	01/06/2021 21:58
PROCESSED THROUGH USPS FACILITY	OKLAHOMA CITY,OK 73107	01/06/2021 23:13
DEPART USPS FACILITY	OKLAHOMA CITY,OK 73107	01/07/2021 07:41
PROCESSED THROUGH USPS FACILITY	PHOENIX,AZ 85043	01/09/2021 13:09
PROCESSED THROUGH USPS FACILITY	PHOENIX,AZ 85043	01/11/2021 01:49
DELIVERED TO AGENT FOR FINAL DELIVERY	SCOTTSDALE,AZ 85260	01/11/2021 15:10
DELIVERED (SYSTEM ADDED)		01/18/2021 06:52

CASE NUMBER: 20-0444-DIS  
DEPARTMENT: LEGAL/KMR  
SENDER: SMS  
CUSTOM 4: CONSENT ORDER