

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

FILED

JUL 27 2023

**INSURANCE COMMISSIONER
OKLAHOMA**

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner.)
)
Petitioner.)
vs.)
)
MICHAEL'S FUNERAL HOME, INC., Prepaid)
Funeral Permit No: 44199996)
)
Respondent.)

CASE NO. 23-0248-DIS

FINAL ADMINISTRATIVE ORDER

This matter is a disciplinary proceeding under the Prepaid Funeral Services and Funeral Service Merchandise Act, 36 O.S. §§ 6121 et seq. On July 12, 2023, 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 May 10, 2023. The hearing was held at the offices of OID before Independent Hearing Examiner Stephan Mathis. Present at the hearing were Antuanya "Bo" DeBose, Assistant General Counsel for OID and Gloria Light for OID's Financial Division. Michael A. Davis on behalf of Michael's Funeral Home, Inc. ("Respondent") appeared pro se.

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

FINDINGS OF FACT

1. That OID has jurisdiction over the subject matter of this action pursuant to 36 O.S. §§ 101-7401, including the Prepaid Funeral Services and Funeral Service Merchandise Act, 36 O.S. §§ 6121 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, Stephan Mathis, who shall sit as a quasi-judicial officer pursuant to 36 O.S. § 319.

3. Respondent is a permitted provider of prepaid funeral benefit contracts in the state of Oklahoma and holds permit number 44199996. Respondent's address of record is PO Box 688, Drumright, Oklahoma 74030-0688.

4. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to 36 O.S. §§ 6123 and 6130.

5. Petitioner afforded Respondent an opportunity for hearing by sending the *Notice* by certified mail return receipt requested and by electronic mail on May 10, 2023 to Respondent. The *Notice* 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.

7. The following exhibits were introduced and admitted:

- a) Petitioner's Exhibit A: October 19, 2022 email from OID to Respondent
- b) Petitioner's Exhibit B: OID Conditional Administrative Order 22-0755-DIS
- c) Petitioner's Exhibit C: January 28, 2023 Letter from Respondent to OID
- d) Petitioner's Exhibit D: March 23, 2023 Letter from OID to Respondent

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

- a) Gloria Light, OID Financial Division
- b) Michael A. Davis, Respondent

9. The OID Financial Division submitted a referral regarding Respondent's 2021 Annual Report, stating the 2021 Annual Report was missing a signed PF-3 with the printed name of the officer and CPA. Respondent's 2021 annual report was also missing Schedule(s) 3 and 6. Lastly, Respondent's 2021 annual report was missing the Agreed Upon Procedures (AUPs). (See Testimony of Gloria Light).

10. After noticing the issues with Respondent's 2021 Annual Report, OID reached out to Respondent via email. (See Testimony of Gloria Light and Petitioner's Exhibit A).

11. After reaching out to Respondent via email, OID only received some of the requested corrected information from the Respondent. (See Testimony of Gloria Light).

12. On or about December 28, 2022, OID issued a Conditional Administrative Order and Notice of Right to be Heard (the "Conditional Order") to Respondent in OID Legal case number 22-0755-DIS. In the Conditional Order, Respondent was fined two hundred (\$200.00) in regard to its 2021 Annual Report for violation of 36 O.S. §6125(K), 36 O.S. §6129.1, and 36 O.S. §6128. Respondent was also ordered to file a corrected PF-1-c, along with any other missing information regarding its 2021 annual report within thirty (30) days. (See Testimony of Gloria Light and Petitioner's Exhibit B).

13. Respondent paid the two hundred dollar (\$200.00) fine assessed in 22-0755-DIS. (See Testimony of Gloria Light).

14. On or about January 28, 2023, Respondent submitted an amended 2021 Annual Report, correcting the PF-1-c. Respondent also submitted the missing Schedules 3 and 6. However, Respondent failed to submit a corrected AUP. (See Testimony from Gloria Light and Petitioner's Exhibit C).

15. Respondent has submitted its 2022 Annual Report. The 2022 Annual Report is missing a signed PF-3 with the printed name of the officer and CPA. Respondent's 2022 annual report also has an incorrect PF-1-c. Lastly, Respondent's 2022 annual report is missing the Agreed Upon Procedures (AUPs). (See Testimony of Gloria Light).

16. After noticing the issues with Respondent's 2022 Annual Report, OID reached out to Respondent via email. (See Testimony of Gloria Light and Petitioner's Exhibit D).

17. After reaching out to Respondent via email, OID has not received any corrected information for Respondent's 2022 Annual Report. (See Testimony of Gloria Light).

CONCLUSIONS OF LAW

18. That OID has jurisdiction over this matter and Respondent pursuant to 36 O.S. § 6121 et seq.

19. That Respondent is a permitted provider of prepaid funeral benefit contracts in the state of Oklahoma and holds permit number 44199996.

20. That Respondent was provided adequate notice and a hearing pertaining to the Notice of Hearing and Order to Show Cause filed on May 10, 2023 in accordance with the Oklahoma Insurance Code and the Oklahoma Administrative Procedures Act.

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

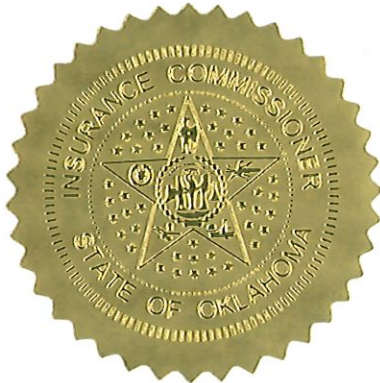
- a) 36 O.S. §6128 and 36 O.S. §6129.1 by failing to file the corrected PF-3 and AUP in regards to its 2021 Annual Report;
- b) 36 O.S. §6128 and 36 O.S. §6129.1 by failing file the corrected PF-1-c, PF-3 and AUP in regards to its 2022 Annual Report.

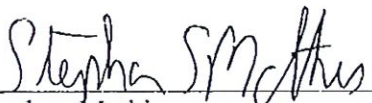
22. The Insurance Commissioner may issue penalties pursuant to 36 O.S. §§ 6123 and 6130.

ORDER

IT IS THEREFORE ORDERED that Respondent Michael's Funeral Home, Inc. is ordered to pay the costs of the proceeding in the amount of One Hundred Fifty Dollars (\$150.00) and is **FINED** Eight Hundred Dollars (\$800.00). The fine and costs shall be paid within thirty (30) days of the date of this Final Administrative Order and made payable to the Oklahoma Insurance Department, located at 400 NE 50th Street, Oklahoma City, Oklahoma 73105. Failure to comply with a proper order of the Commissioner will result in further administrative action.

Done this 26th day of July, 2023.




Stephan Mathis
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 27th day of July, 2023 to:

Michael's Funeral Home, Inc
501 West Broadway Street
Drumright, Oklahoma 74030
MichaelsFHomes@aol.com

CERTIFIED MAIL NO.
9214 8902 0982 7500 0561 97

and a copy was delivered to:

RIS and Financial Division


Antuanya "Bo" DeBose