

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

**FILED**

JAN 27 2010

STATE OF OKLAHOMA, ex rel. KIM )  
HOLLAND, Insurance Commissioner, )  
 )  
Petitioner, )  
v. )  
 )  
STEPHEN TREVOR STROUT, JR. a resident )  
insurance producer, )  
 )  
Respondent. )

INSURANCE COMMISSIONER  
OKLAHOMA

Case No. 10-0056-DIS

**ADMINISTRATIVE ORDER OF SUSPENSION INSTANTER**

COMES NOW the State of Oklahoma, ex rel. Kim Holland, Insurance Commissioner, by and through her attorney, Julie Delluomo, and alleges and states as follows:

**JURISDICTION**

1. Kim Holland 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.
2. Respondent Stephen Trevor Strout, Jr. is an Oklahoma producer holding license number 40024083. His address of record is 308 W. 42<sup>nd</sup> Street, Sand Springs, Oklahoma 74063.
3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Producer Licensing Act and/or

may levy a civil penalty of \$100.00 to \$1,000.00 for each violation of the Producer Licensing Act. 36 O.S. § 1435.13(A).

4. If the Insurance Commissioner finds that the public health, safety or welfare imperatively requires emergency action, and incorporates a finding to the effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S. §§ 314(C)(2), 314.1, OAC 365:1-7-9(a).

### **ALLEGATIONS OF FACT**

1. Stephen Trevor Strout, Jr. ("Strout") is an Oklahoma producer holding license number 40024083. He was employed as an insurance producer with the Umbrella Insurance Agency, 606 W. 41<sup>st</sup> Street, Sand Springs, Oklahoma.

2. Donald Spencer complained to the Consumer Assistance Division at the Oklahoma Insurance Department ("Department") in October 2009 after learning that his automobile policy purchased through Strout was cancelled by the insurer, Casualty Corporation of America, Inc. ("CCA") for non-payment of premium.

3. Investigation by the Department revealed that Donald Spencer purchased an automobile insurance policy through Strout at the Umbrella Insurance Agency with insurance company Casualty Corporation of America, Inc. ("CCA"). The effective date of the policy was April 23, 2009. Thereafter Spencer delivered five monthly installment payments to Strout for the months of March, April, May, June and July in the form of money orders, each in the amount of \$50.00. The money orders were made to the order of the Umbrella Insurance Agency. Each time Strout received a money order from Spencer, he would endorse the back of the money order.

4. CCA terminated the appointment of Strout and Umbrella Insurance Agency on June 15, 2009. CCA mailed a notice to policyholders that Umbrella Insurance Agency was no longer in business.

5. Spencer was unable to locate Strout regarding his automobile policy so he contacted CCA. CCA advised Spencer that Spencer had not notified CCA of his change of address. Spencer informed CCA that he had made five monthly payments to his agent, Strout. CCA forwarded a copy of Spencer's Cancellation Notice and CCA's Notice that Umbrella Insurance Agency was no longer in business to Spencer's new address.

6. Strout confirmed to investigators that he had received money orders from Spencer and endorsed the back of each money order. Strout admitted that he failed to submit Spencer's premium payments to CCA and instead cashed the money orders at Strout's bank.

#### **ALLEGED VIOLATIONS OF LAW**

Such conduct by Strout as alleged above is in violation of 36 O.S. § 1435.13(A)(4); improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business and § 1435.13(A)(8); using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state.

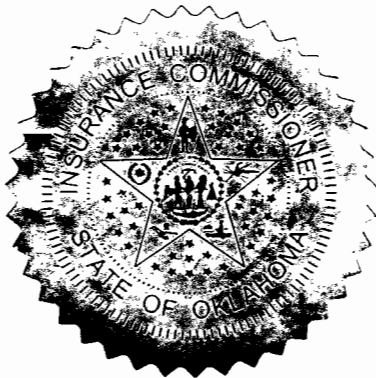
**ORDER**

**IT IS THEREFORE ORDERED** by the Insurance Commissioner, subject to the following paragraph, that the Respondent violated 36 O.S. § 1435.13(A(4) and (8) and has thereby placed the welfare of the public at risk. In accordance with 75 O.S. § 314(C)(2) and OAC § 365:1-7-9, Respondent's license is suspended effective immediately.

Respondent may request a hearing be held regarding this emergency action. OAC 365:1-7-9(a). Such request for hearing shall be received within thirty (30) days from the date of receipt of this order. A request for hearing shall be made in writing addressed to Julie Delluomo, Assistant General Counsel, Oklahoma Insurance Department, Post Office Box 53408, Oklahoma City, Oklahoma 73152-3408.

An independent hearing examiner shall conduct the hearing. Respondent may have a court reporter transcribe the proceedings and Respondent shall be responsible for the costs. If Respondent fails to request a hearing within the required period of time, Respondent's producer license shall be revoked thirty days (30) days from the date of receipt of this order.

**WITNESS** My Hand and Official Seal this 27<sup>th</sup> day of January, 2010.



  
KIM HOLLAND  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

**CERTIFICATE OF MAILING**

I, Julie Delluomo, hereby certify that a true and correct copy of the above and foregoing Administrative Order of Suspension Instantner was mailed by certified mail, postage prepaid with return receipt requested, on this 21<sup>st</sup> day of January 2010, to:

Stephen Trevor Strout, Jr.  
308 W. 42<sup>nd</sup> Street  
Sand Springs, OK 74063

**CERTIFIED MAIL NUMBER: 7006 0810 0002 6163 9430**

**Notification was sent to:**

NAIC/RIRS

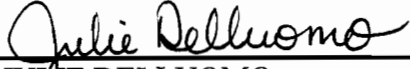
**A copy was mailed to:**

All appointing insurers

**A copy was delivered to:**

Leah Scoles  
Agents Licensing Division

Rick Wagnon/Amos Farr  
Investigations/Anti-Fraud Division

  
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JULIE DELLUOMO  
ASSISTANT GENERAL COUNSEL