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

**FILED**

OCT 20 2010

INSURANCE COMMISSIONER
OKLAHOMA

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| **STATE OF OKLAHOMA, ex rel. KIM HOLLAND, Insurance Commissioner,** | ) | |
| **Petitioner** | ) | |
| **v.** | ) | **Case No. 10-1164-DIS** |
| **DOUGLAS ROSS LOWRY, a licensed Insurance producer, KELLI LYNN LOWRY, A licensed customer service representative and R & R LOWRY INSURANCE LLC d/b/a/ SOUTH CENTRAL INSURANCE, a licensed Producer firm,** | ) | |
| **Respondents.** | ) | |

## FINAL ADMINISTRATIVE ORDER

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

## JURISDICTION AND PARTIES

1. The Insurance Commissioner has jurisdiction over this matter pursuant to Article VI, § 22 of the Oklahoma Constitution and the Oklahoma Insurance Code, 36 O.S. § 101 et seq., specifically, the Oklahoma Producer Licensing Act, 36 O.S. § 1435.1 et. seq.

2. Douglas Ross Lowry is a licensed producer holding license number 97222. His address of record is 7119 S. Western Avenue, Oklahoma City, Oklahoma 73139.

3. Kelli Lynn Lowry is a licensed customer service representative holding license 102907. Her address of record is [redacted]

4. R & R Lowry Insurance LLC d/b/a South Central Insurance is a licensed agency firm holding license 10009764. Its address of record is 7119 S. Western Avenue, Oklahoma City, Oklahoma 73139.

5. 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 and/or may levy a fine up to $1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code, 36 O.S. § 1435.13(A) and (D).

## FINDINGS OF FACT

1. On September 8, 2010, Judy Milburn complained to the Oklahoma Insurance Department regarding the above named Respondents. Milburn stated that she had purchased automobile insurance with Casualty Corporation of America ("Casualty Corporation") through the R & R Lowry Insurance LLC d/b/a South Central Insurance located at 7119 S. Western in Oklahoma City, Oklahoma. Milburn visited the agency on August 12, 2010 and gave Kelli Lowry $51.00 in cash for her monthly premium which was due on August 19, 2010. This payment would provide Milburn with auto insurance until September 19, 2010. Kelli Lowry issued Milburn a receipt for her payment.

2. Milburn returned to the agency to update her policy after purchasing a new vehicle over the Labor Day weekend. The agency was closed and it appeared to Milburn that they had moved or were in the process of moving. Thereafter, Milburn made numerous telephone calls to the agency. The phone number was in service but would not accept her messages because the voice mail was full.

3. Milburn then contacted the insurer, Casualty Corporation, and was told that her policy was cancelled in August 2010 for non-payment of premium. Milburn

stated that she had the receipt of payment given to her by Kelli Lowry.

4. Investigation by the Oklahoma Insurance Department revealed a complaint was made in July 2010 against Douglas Ross Lowry. Mindy Heck had complained that she made a $421.00 premium payment to Ross Lowry for auto insurance with Casualty Corporation for the entire premium period from February 19, 2010 through August 19, 2010.

5. Heck received hail damage on her auto on April 10, 2010. When she made a claim for her damages, she was told by Casualty Corporation that her policy cancelled on April 2, 2010 for nonpayment of premium. Casualty Corporation had received only $108.00 of the $421.00 that Heck paid Ross Lowry. Heck contacted Ross Lowry and he offered to return $279.00 of the $421.00 she had paid him, stating that was all he had.

6. On September 8, 2010, Chief Investigator Rick Wagnon and Investigator Leslie Landwert arrived at the R & R Lowry Insurance Agency located at 7119 South Western in Oklahoma City, Oklahoma. The investigators found the door locked, lights off, and payment envelopes pushed beneath the door.

7. The investigators made contact with the manager of the business next door to the agency, Danny Dailey. Dailey stated that he had not seen either of the Lowrys since August 25, 2010. He stated that previous to that date, the Lowrys arrived at the agency between 2:00 and 3:00 p.m. and sometimes stayed until around 9:00 p.m. He also stated that he had seen them arrive and not even turn the lights on.

8. Dailey also stated that several of the agency customers had come into his store looking for the missing Lowrys. A girl by the name of Mindy recently came into

his store to use the phone. She was crying and stated that she had paid $600.00 to Ross Lowry for six months of her auto premium and that she had discovered he failed to forward the premium to the insurer when her policy cancelled. Ross Lowry then wrote her a $600.00 check that was returned for insufficient funds.

9. The Department's Consumer Assistance Division received a complaint against the Respondents from Wesley Kirkes on September 9, 2010. Kirkes, a licensed producer, complained that he sold his agency to Ross Lowry and had continued to work there. Lowry was paying him for the agency on a monthly basis. Lowry had ceased paying Kirkes. Kirkes complained that the Lowrys were not conducting the insurance business properly. They were rarely there and did not return telephone calls. He stated that the agency had lost business with at least two companies due to the neglect. Kirkes quit and asked Ross Lowry what he wanted Kirkes to do with his files. Lowry told him to burn the files. Kirkes took the files with him.

10. On September 9, 2010, Department investigators Rick Zimmer and Adam Flowers arrived at the residence of Douglas and Kelli Lowry located at 2813 Christina Court, Moore, Oklahoma around 12 noon. The investigators rang the doorbell several times and no one answered. The garage doors were closed and there were no vehicles in the driveway. Investigator Zimmer left Investigator Miller's business card on the front door and wrote on the back to contact Miller as soon as possible. The investigators returned to the residence at approximately 1:30 p.m. Again, no one answered the door but Miller's business card was no longer on the door. To date, neither Ross nor Kelli Lowry has made contact with Miller.

## CONCLUSIONS OF LAW

1. Respondents violated 36 O.S. § 1435.13(A)(4) by improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business.

2. Respondents violated 36 O.S. § 1435.13(A)(8) by 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, ADJUDGED AND DECREED** by the Insurance Commissioner that the **Administrative Order of Suspension Instanter** entered in this matter on September 16, 2010 is a **FINAL ADMINISTRATIVE ORDER**, that no hearing was requested and the insurance licenses of the three named Respondents are hereby **REVOKED.**

**WITNESS** My Hand and Official Seal this 20th day of October, 2010.

KIM HOLLAND
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

## CERTIFICATE OF MAILING

On this 20th of October, 2010, a true and correct copy of the above and foregoing Final Administrative Order was mailed, via certified mail, to:

Douglas Ross Lowry
R & R Insurance LLC
d/b/a South Central Insurance
7119 South Western Avenue
Oklahoma City, OK 73139

**CERTIFIED MAIL NO.**
7001 0320 0004 0178 4454

Kelli Lynn Lowry
[redacted]

**CERTIFIED MAIL NO.**
7001 0320 0004 0178 4461

All Appointing Insurers/RIRS

And a copy was delivered to:

Leah Scoles
Producer Licensing Division

And

Rick Wagnon
Investigations/Anti-Fraud Division

Julie Meaders
Julie Meaders