

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

**STATE OF OKLAHOMA, ex rel. GLEN
MULREADY, Insurance Commissioner,**)
)
Petitioner,)
)
v.)
)
KELLEN KNAPTON, a licensed insurance)
producer in the State of Oklahoma,)
)
and)
)
PATRICK ZACH RADCLIFFE, a licensed)
insurance producer in the State of Oklahoma)
)
Respondents.)

Case No. 19-0241-DIS

FILED
AUG 12 2019
INSURANCE COMMISSIONER
OKLAHOMA

CONSENT ORDER

The State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, and Respondent Patrick Zach Radcliffe stipulate to the following facts and applicable laws. The parties hereby consent to the entry of this Consent Order.

JURISDICTION AND AUTHORITY

1. Glen Mulready 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 Patrick Zach Radcliffe ("Respondent Radcliffe") is a licensed insurance producer in the State of Oklahoma holding license number 3000175247.

3. Pursuant to 36 O.S. § 4038, "[v]iolation of any provision of the Life Insurance and Annuity Policyholders Protection Act [36 O.S. §§ 4031 et seq.] may result

in censure, suspension, or revocation of the insurance license or certificate or a fine of no more than One Thousand Dollars (\$1,000.00) per incident, or both."

4. Informal disposition of this matter may be made by consent order pursuant to 36 O.S. § 313(B) and 75 O.S. § 309(E).

STIPULATION OF FACTS AND CONCLUSIONS OF LAW

1. Respondent Radcliffe stipulates to the Allegations of Fact and Alleged Violations of Law as plead in the *Conditional Administrative Order and Notice of Right to Be Heard* (the "*Conditional Order*") issued in the above-captioned case on May 1, 2019. A copy of the Conditional Order is included herein by reference and attached as Exhibit "A".

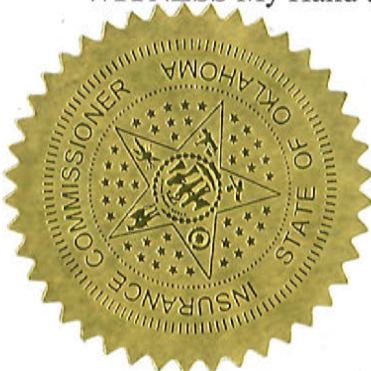
2. Respondent Radcliffe's June 7, 2019 request for hearing, submitted by and through his counsel, Stephen L. McCaleb, is withdrawn.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner and **CONSENTED** to by Respondent Radcliffe that Respondent Radcliffe is **CENSURED** and **FINED ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00)**.

IT IS FURTHER ORDERED that Respondent shall have **three (3) months** from the date of issuance of this *Consent Order* to fully pay off the fine amount set forth above. Payment may be made by either cashier's check or money order made payable to the Oklahoma Insurance Department.

WITNESS My Hand and Official Seal this 12th day of August, 2019.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

By: _____

Tyler Laughlin
First Deputy Insurance Commissioner
Oklahoma Insurance Department


VERIFICATION AND CONSENT

I, Patrick Zach Radcliffe, state that I have read this *Consent Order*. The contents and facts set forth in the order are true to the best of my knowledge. I consent to the entry of this *Consent Order* by the Insurance Commissioner and I waive my right to appeal this *Consent Order*.


PATRICK ZACH RADCLIFFE

STATE OF OKLAHOMA
COUNTY OF Oklahoma

This instrument was acknowledged before me on August 5, 2019 by
PATRICK ZACH RADCLIFFE.


Signature of Notarial Officer



Notary
Title

My commission expires:

12/13/2019
99019278

APPROVED:



Barron B. Brown
Assistant General Counsel



Stephen L. McCaleb
Counsel for Respondent Radcliffe

CERTIFICATE OF MAILING

I, Barron B. Brown, hereby certify that a true and correct copy of the above and foregoing *Consent Order* was mailed by certified mail, with postage prepaid and return receipt requested, on this 12th day of August, 2019, to:

Patrick Zach Radcliffe



9214 8902 0982 7500 0230 21

CERTIFIED MAIL NO.

Stephen L. McCaleb
Derryberry & Naifeh, LLP
4800 N. Lincoln Blvd.
OKC, OK 73105

9214 8902 0982 7500 0230 38

CERTIFIED MAIL NO.

and that a copy was delivered via electronic mail to:

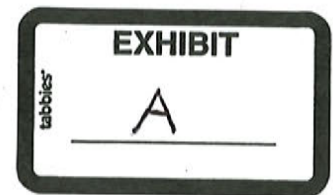
steve@derryberrylaw.com

Licensing Division

Anti-Fraud Unit



Barron B. Brown
Assistant General Counsel



BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
MAY 01 2019
INSURANCE COMMISSIONER
OKLAHOMA

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

Petitioner,

v.

KELLEN KNAPTON, a licensed insurance
producer in the State of Oklahoma,

and

PATRICK ZACH RADCLIFFE, a licensed
insurance producer in the State of Oklahoma

Respondents.

Case No. 19-0241-DIS

CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, by and through his attorney, Barron B. Brown, and alleges and states as follows:

JURISDICTION AND AUTHORITY

1. Glen Mulready 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 Kellen Knapton ("Knapton") is a licensed insurance producer in the State of Oklahoma holding license number 3000223616.
3. Respondent Patrick Zach Radcliffe ("Radcliffe") is a licensed insurance producer in the State of Oklahoma holding license number 3000175247.

4. Pursuant to 36 O.S. § 4038, "[v]iolation of any provision of the Life Insurance and Annuity Policyholders Protection Act [36 O.S. §§ 4031 et seq.] may result in censure, suspension, or revocation of the insurance license or certificate or a fine of no more than One Thousand Dollars (\$1,000.00) per incident, or both."

ALLEGATIONS OF FACT

1. On or about February 20, 2019, the Oklahoma Insurance Department's Anti-Fraud Unit ("OID Anti-Fraud") received a complaint from Oklahoma-licensed insurance producer John Robert Young ("Young"), license number 100258437. In his complaint, Young alleged, among other things, that Knapton and Radcliffe (both former independent contractors that previously worked for Young) contacted three (3) American Income Life Insurance Company ("AILC") policyholders in an attempt to get said policyholders to replace their existing AILC life insurance policies with policies from a different insurance carrier, Sentinel Security Life Insurance Company ("SSLIC").

2. The OID Anti-Fraud Unit opened an investigation into Young's complaint and Investigator Rick Koch ("Koch") was assigned the case.

3. Koch separately interviewed each of the 3 AILC policyholders referenced in Young's complaint. Each AILC policyholder independently confirmed to Koch the following:

- Knapton and Radcliffe contacted each of them wanting to discuss/review their respective AILC coverage(s).
- They each believed both Knapton and Radcliffe were representing AILC.

- Knapton and Radcliffe attempted to get each of them to replace their current, in-force AILC life insurance policy with a policy issued by SSLIC.

4. Pursuant to 36 O.S. § 4034(B) in the Life Insurance and Annuity Policyholders Protection Act, "[e]very [insurance] agent shall secure with or as part of each application for insurance a statement as to whether the new insurance policy or annuity policy will replace an existing insurance policy or annuity policy on the same life." Further, the aforementioned notice has to be provided to the underlying applicant of the replacement life insurance policy at issue in a manner consistent with 36 O.S. § 4035. Within that, replacement is defined, in relevant part as "any transaction in which a new life policy [. . .] is to be purchased, and it is known or should be known by the proposing agent [. . .] that an existing individual life insurance policy [. . .] has been, or is to be lapsed, surrendered, converted, become extended insurance, or that the cash loan value, or any portion thereof, is used or contemplated for use in the future with the purchase of a new insurance policy or annuity policy." 36 O.S. § 4033(1).

5. Based on Koch's investigation, neither Knapton nor Radcliffe complied with 36 O.S. § 4034(B) in their interactions with any of the 3 aforementioned AILC policyholders. More specifically, neither Knapton nor Radcliffe provided statements concerning replacement as part of the applications for coverage that were submitted to SSLIC on behalf of the 3 affected AILC policyholders.

ALLEGED VIOLATIONS OF LAW

1. Respondents each violated 36 O.S. § 4034(B) by failing to secure with or as a part of each application for insurance a statement as to whether the new insurance

policy or annuity policy will replace an existing insurance policy or annuity policy on the same life.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that Respondents Knapton and Radcliffe are each CENSURED and FINED THREE THOUSAND DOLLARS (\$3,000.00) The fines are to be paid within thirty (30) days from receipt of this Order and made payable to the Oklahoma Insurance Department. Payment may be made by either cashier's check or money order. Failure to comply with a proper order of the Insurance Commissioner may result in further administrative action.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless Respondent Knapton and/or Respondent Radcliffe requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of receipt of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of receipt of this Order. A request for hearing should be in writing addressed to Barron B. Brown, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112. The request for hearing must state the grounds for the request to set aside or modify the Order.

Any such hearing shall be conducted according to the procedures for contested cases under the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., O.A.C. 365:1-7-1 et seq. and the Oklahoma Administrative Procedures Act, 75 O.S. §§ 308a et seq. If Respondent Knapton and/or Respondent Radcliffe serves a timely request for hearing on the

Oklahoma Insurance Department, this Conditional Order shall act as notice of the matters to be reviewed at the hearing, and the Allegations of Fact, Alleged Violations of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this 1st day of May, 2019.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Barron B. Brown

Barron B. Brown
Assistant General Counsel
Oklahoma Insurance Department
3625 NW 56th St., Suite 100
Oklahoma City, OK 73112
Telephone: (405) 521-2746
Facsimile: (405) 522-0125

CERTIFICATE OF MAILING

I, Barron B. Brown, hereby certify that a true and correct copy of the above and foregoing *Conditional Administrative Order and Notice of Right to be Heard* was mailed by certified mail, with postage prepaid and return receipt requested, on this 1st day of May, 2019, to:

Kellen Knapton



CERTIFIED MAIL NO.

9214 8902 0982 7500 0200 75

Patrick Zach Radcliffe



CERTIFIED MAIL NO.

9214 8902 0982 7500 0200 82

and that a copy was delivered via electronic mail to:

Licensing Division
Anti-Fraud Unit

Barron B. Brown
Assistant General Counsel