

FILED
NOV 15 2022
INSURANCE COMMISSIONER
OKLAHOMA

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
v.)
)
JAMES KEITH PATTON,)
a resident producer,)
)
Respondent.)

Case No. 21-0419-DIS

AGREED ORDER

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, by and through counsel, Antuanya "Bo" DeBose, and Respondent James Keith Patton, by and through counsel Steve L. McCaleb, and agree to entry of this Order.

JURISDICTION

The parties stipulate to the following:

1. Glen Mulready is the Insurance Commissioner of the State of Oklahoma and, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101-7401, including the Oklahoma Producer Licensing Act, 36 O.S. § 1435.1 et seq.
2. Respondent James Keith Patton ("Respondent") holding license number 72596, is licensed by the State of Oklahoma as a resident insurance producer as defined and required by 36 O.S. § 1435.2(7). His address of record is PO Box 361, Pocola, Oklahoma 74902.
3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to 36 O.S. § 1435.13(A) and (D).

4. The Insurance Commissioner, pursuant to 36 O.S. § 319, has appointed an independent hearing examiner who shall sit as a quasi-judicial officer.

5. Informal disposition of this matter may be made by agreed settlement pursuant to 75 O.S. §309(E).

STIPULATIONS OF FACT

1. On or about October 3, 2018, Respondent submitted term life insurance policy applications to Farmers Insurance ("Farmers") naming Hunter McKenzie and Landon McKenzie as the insureds, at the direction of their aunt, Tanga Luu. The face amount of each policy was seventy-five thousand dollars (\$75,000.00) and the beneficiary listed on each policy is Tanga Luu's son, Derek Luu. Additionally, Derek Luu is listed as a stepparent on the policies, when in fact he is Landon McKenzie's and Hunter McKenzie's cousin.

2. On August 8, 2021, Respondent was interviewed by Oklahoma Insurance Department ("OID") Investigator Rick Koch. Respondent admitted e-signing the insureds names to the policy applications and that the policies were submitted to Farmers without the listed insureds' knowledge or consent. Respondent admitted that Landon McKenzie and Hunter McKenzie did not request the life insurance policies and did not sign the applications.

3. Pursuant to 36 O.S. §3607, no life insurance contract upon an individual, except a contract of group life insurance or of group or blanket accident and health insurance, shall be made or effectuated unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, applies therefor or consents thereto, except in the following cases: 1) A spouse may effectuate such insurance upon the other

spouse; 2) Any person having an insurable interest in the life of a minor, or any person upon whom a minor is dependent for support and maintenance, may effectuate insurance upon the life of or pertaining to such minor; 3) Any person having an insurable interest in the life of a person who is legally incompetent to consent to such insurance may effectuate such insurance upon such person.

4. Hunter and Landon McKenzie are not minors and are not legally incompetent.

5. Neither Tanga Luu, nor Derek Luu had an insurable interest in the life of Hunter or Landon McKenzie.

6. Pursuant to the provisions of *36 O.S. §1435.13*:

a. 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 or may levy a civil penalty in accordance with subsection D of this section or any combination of actions, for any one or more of the following causes:

a. Violating any insurance laws, or violating any regulation, subpoena or order of the Insurance Commissioner or of another state's Insurance Commissioner;

b. Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

c. Forging another's name to an application for insurance or to any documents related to an insurance transaction;

7. Pursuant to *36 O.S. §1435.13(D)*, in addition to or in lieu of any applicable denial, probation, censure, suspension or revocation of a license, a person may, after opportunity

for hearing, be subject to a civil fine of not less than One Hundred Dollars (\$100.00) nor more than One Thousand Dollars (\$1,000.00) for each occurrence. Said penalty may be enforced in the same manner in which civil judgments may be enforced

CONCLUSIONS OF LAW

8. Respondent violated 36 O.S. §3607, along with §1435.13(A)(2) and (A)(8) by writing two (2) life insurance policies without the knowledge or consent of the insureds.
9. Respondent violated 36 O.S. §1435.13(A)(10) by forging both Hunter McKenzie's and Landon McKenzie's name to application(s) for term life insurance without their knowledge or consent.

ORDER

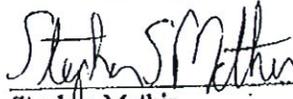
IT IS THEREFORE ORDERED by the Insurance Commissioner and **AGREED** by Respondent that his resident producer license number 81514 is hereby **REVOKED**.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner and **AGREED** by Respondent that he is hereby **FINED** in the amount of Two Hundred Dollars (\$200.00). The fine shall be paid within thirty (30) days from the date of this Agreed 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.

WITNESS My Hand and Official Seal this 15th day of November, 2022.



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA



Stephen Mathis
Hearing Examiner

AGREED TO:

Antuanya "Bo" DeBose
Antuanya "Bo" DeBose
ASSISTANT GENERAL COUNSEL

Stephen L. McCaleb
Stephen L. McCaleb
ATTORNEY FOR RESPONDENT

James Keith Patton
James Keith Patton
RESPONDENT

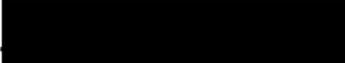
CERTIFICATE OF MAILING

I, Antuanya "Bo" DeBose, hereby certify that a true and correct copy of the above and foregoing Agreed Order was mailed by first class U.S. Mail and by certified mail with postage prepaid and return receipt requested on this 15 day of November, 2022 to:

James Keith Patton
PO Box 361
Pocola, Oklahoma 74902

CERTIFIED MAIL NO:
9214 8902 0982 7500 0502 56

James Keith Patton



CERTIFIED MAIL NO:
9214 8902 0982 7500 0502 63

Stephen L. McCaleb
4800 North Lincoln Boulevard
Oklahoma City, Oklahoma 73105

CERTIFIED MAIL NO:
9214 8902 0982 7500 0502 70

and that a copy was delivered to:

Licensing and Anti Fraud Division

Antuanya "Bo" DeBose
Antuanya "Bo" DeBose