

FILED
APR 04 2022
INSURANCE COMMISSIONER
OKLAHOMA

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

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
 Petitioner,)
vs.)
)
MORGAN & ASSOCIATES CLAIM)
SERVICE, an unlicensed adjuster in the State of)
Oklahoma,)
)
 Respondent.)

CASE NO. 21-0462-DIS

FINAL ADMINISTRATIVE ORDER

This matter is a proceeding under the Oklahoma Insurance Adjusters Licensing Act. 36 O.S. §§ 6201-6223. The Oklahoma Insurance Department (“OID”) issued a “Conditional Administrative Order and Notice of Right to be Heard” in this matter on or about December 13, 2021. Respondent Morgan and Associates Claim Service (“Respondent”) requested an administrative proceeding pursuant to O.A.C. 365:1-7-1 on December 22, 2021. OID then issued a “Notice of Hearing and Order to Show Cause” on January 6, 2022, scheduling this matter for hearing on January 20, 2022, at 10:00am.

Following a continuance, the hearing was held before the undersigned Hearing Examiner on March 2, 2022. Petitioner appeared by counsel Antuanya “Bo” DeBose and Andrea M. Golden. Respondent appeared in person and through counsel Stephen L. McCaleb. Witnesses were sworn and testified, exhibits were admitted, and argument of the parties heard.

FINDINGS OF FACT

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, and the Oklahoma Insurance Adjusters Licensing Act, 36 O. S. §§ 6201-6223.
2. Respondent is an applicant for a resident adjuster license in the State of Oklahoma. Respondent's address of record is 2609 Old Farm Lane, Edmond, Oklahoma 73013.
3. Pursuant to 36 O.S. § 6220(B), in addition to any potential denial, censure, suspension, or revocation, any person violating any provision of the Oklahoma Insurance Adjusters Licensing Act may be subject to a civil penalty of not more than \$1,000.00 for each violation.
4. Petitioner issued a "*Conditional Administrative Order and Notice of Right to be Heard*" in this matter on or about December 13, 2021, fining Respondent Two Hundred Fourteen Thousand Six Hundred Dollars (\$214,600.00) for violation of 36 O.S. §6220(A)(9) and 36 O.S. §6220(F).
5. Petitioner afforded Respondent the requested hearing by sending the *Notice of Hearing and Order to Show Cause* by certified mail on January 6, 2022. The *Notice of Hearing and Order to Show Cause* 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. An amended *Notice of Hearing and Order to Show Cause* was filed and mailed January 10, 2022.
6. 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.

7. The hearing was recorded electronically by an employee of the Oklahoma Insurance Department. Neither party requested a full stenographic record of the proceedings.

8. The following exhibit(s) were introduced and admitted:

- a. Petitioner's Exhibit A: Certificate of LLC for Morgan and Associates
- b. Petitioner's Exhibit B: NIPR Application for Morgan and Associates
- c. Petitioner's Exhibit C: Letter from OID Licensing to Respondent
- d. Petitioner's Exhibit D: Email between OID Licensing and Respondent
- e. Petitioner's Exhibit E: List of adjusted claims from Respondent.
- f. Respondent's Exhibit 1: Claim Adjustment information from Southwest Property Adjustment, Inc
- g. Respondent's Exhibit 2: Inspection Report for Southwest Property Adjustment
- h. Respondent's Exhibit 3: Adjuster's Log
- i. Respondent's Exhibit 4: Individual Adjuster License for Charles J. Morgan

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

- a. Courtney Khodabakhsh, Manager of OID Licensing Division
- b. Charles J. Morgan, Owner of Morgan and Associates Claim Service

10. On or about May 26, 2021, Respondent submitted an application for resident adjuster license to OID. (See Testimony of Courtney Khodabakhsh and Petitioner's Exhibit B).

11. OID requested Respondent provide information showing all the Oklahoma claims adjusted by Respondent prior to the submission of the application for resident adjuster

license. (*See Testimony of Courtney Khodabakhsh and Petitioner's Exhibit C*).

12. Respondent provided a list of Two Thousand One Hundred Forty Six claims it adjusted prior to submitting an application for resident adjuster license. (*See Testimony of Courtney Khodabakhsh and Petitioner's Exhibit E*).

13. Respondent confirmed with OID that the list of claims it provided were adjusted in the name of Morgan and Associates Claim Service, and not in the name of Charles J. Morgan. (*See Testimony of Courtney Khodabakhsh and Petitioner's Exhibit D*).

14. Morgan and Associates Claim Service, LLC was issued a Certificate of Limited Liability Company on or about December 11, 2015. (*See Testimony of Courtney Khodabakhsh and Petitioner's Exhibit A*).

15. Pursuant to *36 O.S. §6220(A)(9)*, it is a violation of the Oklahoma Insurance Adjusters Licensing Act for an adjuster to adjust losses or negotiate claim settlements arising pursuant to provisions of insurance contracts on behalf of an insurer or insured without proper licensing from the Commissioner and authority from the licensed insurer or the insured party;

16. Pursuant to *36 O.S. §6220(F)*, it is unlawful for any person, firm, association, company or corporation to act as an adjuster without first obtaining a license pursuant to the Insurance Adjusters Licensing Act.

CONCLUSIONS OF LAW

Respondent has violated *36 O.S. §6220(A)(9)* and *36 O.S. §6220(F)*, by adjusting Two Thousand One Hundred Forty-Six (2146) claims without proper licensure from the Oklahoma Insurance Commissioner.

ORDER

IT IS THEREFORE ORDERED that Respondent is hereby **CENSURED** and **FINED** Two Thousand Five Hundred dollars (\$2,500.00). Respondent is also ordered to pay the costs of the proceeding in the amount of Two Hundred Twenty-Five dollars (\$225.00). 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. The fine shall be sent to the Oklahoma Insurance Department located at 400 NE 50th Street, Oklahoma City, Oklahoma 73105.

Dated this 31st day of March 2022.



Stephan Mathis
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 4th day of April, 2022 to:

Morgan & Associates Claim Service
2609 Old Farm Lane
Edmond, Oklahoma 73013

CERTIFIED MAIL NO:
9214 8902 0982 7500 0451 77

Stephen L. McCaleb
Derryberry & Naifeh, LLP
4800 N. Lincoln Boulevard
Oklahoma City, Oklahoma 73105

CERTIFIED MAIL NO:
9214 8902 0982 7500 0451 84

and that a copy was delivered to: Licensing Division

Antuanya "Bo" DeBose
Antuanya "Bo" DeBose



Legal Division
 Insurance Commission
 400 NE 50th St.
 Oklahoma City, OK

OKLAHOMA
 INSURANCE
 DEPARTMENT

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 2609 OLD FARM LN
 EDMOND OK 73013-6719

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 US POSTAGE \$006.96



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 APR 29 2022
 LEGAL DIVISION



21-0462-DIS
AMS

Date Produced: 04/11/2022

OKLAHOMA INSURANCE DEPARTMENT:

The following is the delivery information for Certified Mail™/RRE item number 9214 8902 0982 7500 0451 84. Our records indicate that this item was delivered on 04/05/2022 at 07:34 a.m. in OKLAHOMA CITY, OK 73105. The scanned image of the recipient information is provided below.

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