

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
JUL 13 2022
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
v.)
)
SHAUN MARVIN SYKES,)
a resident producer,)
)
)
Respondent.)

Case No. 21-0560-DIS

AMENDED 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 counsel, Antuanya “Bo” DeBose, and alleges and states as follows:

JURISDICTION

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 Shaun Marvin Sykes (“Respondent”) holding license number 3000480767, 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 1112 SW 131st Street, Oklahoma City, Oklahoma 73170-6982.
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. 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. The penalty may be enforced in the same manner in which civil judgments may be enforced.

5. If Respondent requests a hearing in writing in this matter, pursuant to *OAC 365:1-7-1*, the Insurance Commissioner, pursuant to *36 O.S. § 319*, will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and preside over the hearing requested by Respondent.

FINDINGS OF FACT

6. On or about June 18, 2021, the Anti-Fraud Unit of the Oklahoma Insurance Department received a complaint from Farmers Insurance (“Farmers”) alleging Respondent used the same false email address, “Bob@gmail.com,” for nine (9) different policies, resulting in insureds receiving ePolicy discounts they were not eligible for. The Oklahoma Insurance Department assigned Investigator Jon Huntington to the case.

7. Farmers initiated an investigation and assigned Susan Barnett to the case. The investigation revealed that Respondent initiated nine (9) separate auto insurance policies utilizing the same email address, Bob@gmail.com. The purpose of utilizing the email on the policies was to provide customers a lower insurance rate by utilizing the “ePolicy” discount. Susan Barnett determined the email address Bob@gmail.com was not valid. There were no other issues with the nine (9) policies, aside from the invalid ePolicy discount awarded. The result of Susan Barnett’s investigation led to Respondent being terminated for cause by Farmers.

8. On or about September 15, 2021, Respondent was interviewed by Investigator Jon Huntington. During the interview, Respondent admitted to using the same email address,

“Bob@gmail.com,” on nine (9) separate policies, stating he did it because he believed an email address was required to process insurance policies in Farmers’ automated system. Respondent later learned he could have used a menu option instead of using the false email.

9. 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. Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance;
- b. Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

10. 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

11. Respondent has violated *36 O.S. §1435.13(A)(5) and §1435.13(A)(8)* by intentionally misrepresenting the terms of an application for insurance and demonstrating untrustworthiness by initiating nine (9) separate auto insurance policies utilizing the false email address Bob@gmail.com to provide customers with a discount they were not eligible for.

ORDER

IT IS THEREFORE ORDERED that Respondent is hereby **CENSURED** and **FINED** Two Thousand Dollars (\$2,000.00). The fine shall be paid within 30 days of the date of this Conditional 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. Failure to comply with a proper order of the Commissioner will 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 requests a hearing with respect to the Findings of Fact set forth above within 30 days of the date of this Conditional Order, the penalties set forth above will become a Final Order on the 31st day following the date of mailing this Order. A request for hearing should be in writing and addressed to Antuanya "Bo" DeBose, Oklahoma Insurance Department, Legal Division, 400 NE 50th Street, Oklahoma City, Oklahoma 73105. The request for hearing must state the grounds for the request to set aside or modify the Order and must be served on the Oklahoma Insurance Department within the 30 days allotted. The proceedings on such requested hearing will be conducted in accordance with the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., and the *Oklahoma Administrative Procedures Act*, 75 O.S. §§ 250 through 324. If Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order will act as a notice of the matters to be reviewed at the hearing and the Findings of Fact, Conclusions 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 13th day of July 2022



GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

A handwritten signature in blue ink, reading "Antuanya 'Bo' DeBose".

Antuanya "Bo" DeBose
Assistant General Counsel
Oklahoma Insurance Department
400 NE 50th Street
Oklahoma City, Oklahoma, 73105
Tel. (405) 521-2746
Fax (405) 522-0125

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing *Conditional Order* was mailed by regular mail and by certified mail, with postage prepaid and return receipt requested, on this 13th day of July 2022, to:

Shaun Marvin Sykes
1112 SW 131st Street
Oklahoma City, Oklahoma 73170-6982
Smsykes1219@gmail.com

CERTIFIED MAIL NO:
9214 8902 0982 7500 0479 97

and a copy was delivered to:

Licensing & Anti-Fraud Division

A handwritten signature in blue ink, reading "Antuanya 'Bo' DeBose".

Antuanya "Bo" DeBose
Assistant General Counsel