

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

**FILED**  
SEP 29 2023  
INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, *ex rel.* GLEN )  
 MULREADY, *Insurance Commissioner,* )  
 )  
*Petitioner,* )  
 )  
 vs. )  
 )  
 UPSOURCE PEO, CORP., *a resident* )  
*registered professional employer* )  
*organization,* )  
 )  
*Respondent.* )

Case No.: 23-0499-DIS

**CONDITIONAL ADMINISTRATIVE ORDER  
AND NOTICE OF RIGHT TO BE HEARD**

The State of Oklahoma, *ex rel.* Glen Mulready, Insurance Commissioner (“Commissioner”), for this action against UpSource PEO, Corporation (“Respondent”), alleges and states as follows:

**JURISDICTION**

1. Respondent has applied for renewal of its resident professional employer organization (“PEO”) registration in the State of Oklahoma.
2. The Commissioner is charged with enforcing all provisions of the Oklahoma Professional Employer Organization Recognition and Registration Act (the “Act”), OKLA. STAT. tit. 40, §§ 600.1, *et seq.*, and has jurisdiction over this matter. 40 O.S. § 600.9; OAC 365:1-1-3.

**RIGHT TO HEARING**

3. Respondent may request that a hearing be held regarding the allegations asserted in this Conditional Order. 40 O.S. § 600.9; O.A.C. § 365:1-7-1(b).

4. A request for a hearing must be in writing, state the specific grounds to be relied upon as a basis for setting aside or modifying this Conditional Order, and addressed to Seth D. Coldiron, Assistant General Counsel, Oklahoma Insurance Department, Legal Division, 400 NE 50th Street, Oklahoma City, Oklahoma 73105. OAC § 365:1-7-1(a).

5. All hearings are open to the public, and Respondent has a right to appear in person and with counsel to present evidence, examine witnesses, and make oral arguments. 75 O.S. §§ 309(C) & 310(3) & (5); OAC § 365:1-7-4(a)-(b).

6. If a hearing is requested, a person affected thereby may, at his or her expense, request a stenographic record of the proceeding be made by a competent court reporter. 75 O.S. § 309(G); OAC § 365-1-7-5(a).

7. The proceedings shall be conducted in accordance with the Oklahoma Administrative Procedures Act, OKLA. Stat. tit. 75, §§ 250 *et seq.*, and the promulgated rules pertaining to the Administrative Operations of the Oklahoma Insurance Department, OKLA. ADMIN. CODE, §§ 365:1-7-1 *et seq.* 75 O.S. § 309 & 310; OAC §§ 365:1-7-1 – 365:1-7-9.

#### **FINDINGS OF FACT**

8. Respondent was formerly registered with the State of Oklahoma as a resident PEO with registration numbered 510478736, which expired on March 31, 2023.

9. Respondent did not apply for renewal.

10. On May 16, 2023, the Oklahoma Insurance Department's Regulated Industry Services Division ("RIS") sent Respondent a notice that its registration numbered 510478736 had not been renewed and was expired.

11. On May 30, 2023, Respondent submitted an Initial Application for a resident PEO license.

12. With its application, Respondent submitted an Activity Attestation affidavit disclosing that Respondent had transacted business by providing, advertising, or otherwise holding itself out as providing professional employer services during the period in which its registration was expired in violation of OKLA. STAT. tit. 40, § 600.4(A).

13. From May 16, 2023, to August 1, 2023, Respondent provided professional employer services totaling One Hundred and Eighty-four Thousand Two Hundred Sixty-eight Dollars and Twelve Cents (\$184,268.12) on behalf of five (5) clients while unregistered.

### CONCLUSIONS OF LAW

14. Respondent violated OKLA. STAT. tit. 40, § 600.4, by providing, advertising, or holding itself out as providing professional employer services while unregistered.

15. The Commissioner may refuse to register, suspend, or revoke the registration, or impose administrative fines of not less than One-Hundred Dollars (\$100.00) nor more than One Thousand Dollars (\$1,000.00) if the Commissioner finds that the registrant or applicant has violated any provisions of the Act. 40 O.S. § 609.1(1); OAC 365:25-30-4.

### CONDITIONAL ORDER

**IT IS, THEREFORE, ORDERED, ADJUDGED, AND DECREED** by the Commissioner that Respondent transacted business without a registration in violation of OKLA. STAT. tit. 40, § 600.4, by providing, advertising, or holding itself out as providing professional employer services while unregistered and a **FINE** in the amount of **TWO HUNDRED FIFTY DOLLARS (\$250.00)** is, hereby, imposed. The fine **SHALL BE PAID WITHIN THIRTY (30) DAYS** of the date of this Conditional Order. The civil fine shall be paid by money order or cashier's check made payable to the Oklahoma Insurance Department and mailed or delivered to the Oklahoma Insurance Department at 400 NE 50th Street, Oklahoma City, Oklahoma 73105.




Failure to comply with a proper order of the Insurance Commissioner will result in further administrative action.

**IT IS, FURTHER, ORDERED, ADJUDGED, AND DECREED** by the Commissioner that this Order is a Conditional Order. Unless the Respondent requests a hearing with respect to the Findings of Fact set forth above **WITHIN THIRTY (30) DAYS** of the date of this Conditional Order, it and the penalties set forth above will become a Final Order on the thirty-first (31st) day from the date of mailing. If the Respondent timely requests a hearing, this Conditional Order shall serve as 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 withdrawn, pending final resolution at the hearing.

**WITNESS** my hand and official seal this 29th day of September 2023.



**GLEN MULREADY  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA**

  
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**SETH D. COLDIRON** (OBA No. 20041)  
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*Attorney for Petitioner,  
State of Okla., ex rel. Glen Mulready,  
Ins. Comm'r*

**CERTIFICATE OF MAILING**

I, Seth D. Coldiron, hereby certify that a true and correct copy of the above and foregoing Conditional Order and Notice of Right to be Heard was mailed via **CERTIFIED MAIL**, return receipt requested, with postage prepaid, on September 29, 2023 to the following:

UPSOURCE PEO, CORP.  
Zachary Northcutt, Pres.  
5300 E. Mountain View Cir.  
Edmond, OK 73034

*Copies delivered to:*

Regulated Industry Service Division

*Respondent,  
UpSource PEO, Corp., a resident  
professional employer organization*

**CERTIFIED MAIL NO:  
7017 1070 0001 1036 9245**



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**SETH D. COLDIRON**  
ASSISTANT GENERAL COUNSEL