

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**FILED**

AUG 11 2008

STATE OF OKLAHOMA, ex rel. KIM )  
HOLLAND, Insurance Commissioner, )  
 )  
Petitioner )  
 )  
v. )  
 )  
NICHOLAS D. PAYNE, )  
 )  
Respondent. )

INSURANCE COMMISSIONER  
OKLAHOMA

Case No. 07-1452-DIS

**FINAL ADMINISTRATIVE ORDER**

COMES NOW the State of Oklahoma, ex rel. Kim Holland, Insurance Commissioner, by and through her attorney Julie Delluomo, and alleges and states as follows:

**JURISDICTION AND AUTHORITY**

1. Kim Holland 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. Karl F. Kramer is the Deputy Insurance Commissioner of the State of Oklahoma and as such, by order of the Insurance Commissioner, is authorized to issue orders and take actions administering and enforcing the provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 *et seq.*, including the authority to issue orders relating to insurers authorized to transact the business of insurance in the State of Oklahoma.
3. Respondent was licensed on October 19, 2001 by the State of Oklahoma as a resident insurance producer holding license number 113504. His Oklahoma producer license lapsed on October 31, 2007. His national producer number is 7031938.

His address of record is 540 E. Atkinson Drive, Midwest City, Oklahoma 73110.

4. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Producer Licensing Act and/or may levy a civil penalty of \$100.00 to \$1,000.00 for each violation of the Producer Licensing Act. 36 O.S. § 1435.13(A).

5. If the Insurance Commissioner finds that the public health, safety or welfare imperatively requires emergency action, and incorporates a finding to the effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S. §§ 314(C)(2), 314,1, OAC 365:1-7-9(a).

#### **FINDINGS OF FACT**

1. The Oklahoma Insurance Department (“Department”) received notice on October 15, 2007 from Reliable Life Insurance Company (“Reliable”) that Nicholas D. Payne’s employment was terminated on October 5, 2007 for mishandling of claims/money.

2. The Department requested additional information from Reliable to determine if any Oklahoma consumers were affected by Payne’s actions on November 21, 2007.

3. Reliable did not respond to the Department’s request and a Subpoena Duces Tecum was issued on February 11, 2008 requesting documentation of the mishandling of monies by Respondent.

4. Reliable provided an agency audit on March 18, 2008 showing that Respondent had collected at least \$2,813.20 during September and October 2007 from

thirty-seven policyholders for premium payments and failed to deposit these monies with Reliable.

5. An investigation was conducted by the Department and several Oklahoma Reliable policyholders were interviewed who paid their monthly insurance premiums to Respondent.

6. Investigators with the Department were unable to locate Respondent.

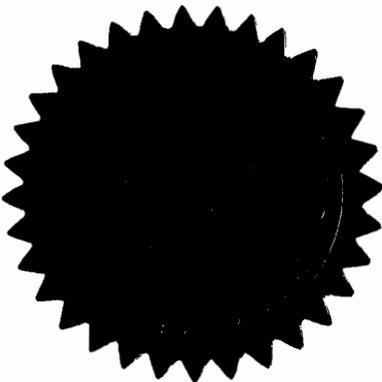
### CONCLUSIONS OF LAW

Respondent has violated 36 O.S. § 1435.13(A)(4) by improperly withholding, misappropriating or converting monies or properties received in the course of doing an insurance business and has violated 36 O.S. § 1435.13(A)(2) by violating insurance law 36 O.S. § 1435.8(F) in failing to inform the Insurance Commissioner of a change of address within thirty (30) days of the change.

### ORDER

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner that the **Administrative Order of Suspension Instante** entered in this matter on July 3, 2008 is a **FINAL ADMINISTRATIVE ORDER**, that no hearing was requested and Respondent's license is hereby **REVOKED**

WITNESS My Hand and Official Seal this 11<sup>th</sup> day of August, 2008.



  
KARL F. KRAMER  
DEPUTY INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

**CERTIFICATE OF MAILING**

I, Julie Delluomo, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by certified mail with postage prepaid and return receipt requested on this 11<sup>th</sup> day of August, 2008, to:

Nicholas D. Payne  
540 E. Atkinson Drive  
Midwest City, OK 73110

**CERTIFIED MAIL NO. 7001 0320 0004 0178 9541**

and that notification was sent to:

NAIC/RIRS

and that a copy was mailed to:

All Appointing Insurers

and that a copy was delivered to:

Agents Licensing Division

  
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Julie Delluomo