

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

FEB - 5 2008

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel.)
KIM HOLLAND, Insurance Commissioner,)
)
Petitioner,)
)
vs.)
)
LAWRENCE EUGENE CANNON,)
a Licensed agent in the State of Oklahoma,)
Respondent.)

Case No. 08-0112-DIS

CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD

COMES NOW the State of Oklahoma ex rel. Kim Holland, and alleges and states as follows:

JURISDICTION

1. That Kim Holland 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, Okla.Stat.tit. 36 § 101 et seq.

2. That if a hearing is requested by the Respondent, the Insurance Commissioner, pursuant to Okla. Admin. Code §365:1-7-5, upon written request reasonably made by a person affected by the hearing and at such person's expense, shall cause a full stenographic record of the proceedings to be made by a competent court reporter.

3. If the Respondent requests a hearing in this matter, the Insurance Commissioner, pursuant to Okla. Stat. tit. 36 §319, will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and who may preside over the hearing requested by the Respondent.

ALLEGATIONS OF FACT

1. The Respondent is licensed as a non-resident producer in the State of Oklahoma, holding license number 134135, NPN number 1074137.

2. At all times relevant to this matter, Respondent was not licensed as a life settlement broker in the State of Oklahoma. Respondent has never applied for licensure as a life settlement broker in the State of Oklahoma.

3. On September 18, 2007, the Oklahoma Insurance Department (OID) received an inquiry from an Oklahoma resident, Ben Robinson, regarding an advertisement that had been mailed to him at 1416 West Okmulgee, Muskogee, OK 74401. That two page advertisement was titled "Attention Life Insurance Owners" and offered to pay cash for life insurance policies. The advertisement urged the recipient to consider selling his life insurance policies on the secondary market. Neither the advertisement nor its mailing envelope contained the name of the entity responsible for the advertisement, but the advertisement urged recipients to call "Insurance Services Quote Services", toll-free at 1-877-884-6505.

4. An OID investigator called the phone number 1-877-884-6505 and spoke with an individual who identified himself as Gene Cannon. The investigator identified herself as an Oklahoma resident who had received an advertisement about selling a life insurance policy. Mr. Cannon told the investigator that he could broker a life settlement for an Oklahoma resident and sent a life settlement application to the investigator via e-mail. The staff member received that application on or about September 19, 2007.

ALLEGED VIOLATIONS OF LAW

1. Respondent's conduct constitutes the solicitation of life settlement applications; as such, the conduct violates Okla. Stat. tit. 36 § 4087 and OAC 365:25-13-3, which prohibit any individual from soliciting a life settlement contract without first obtaining a license from the Insurance Commissioner.

2. Respondent's violation of an insurance law constitutes a violation of the Oklahoma Producer Licensing Act, specifically, Okla. Stat. tit. 36 § 1435.13 (A)(2).

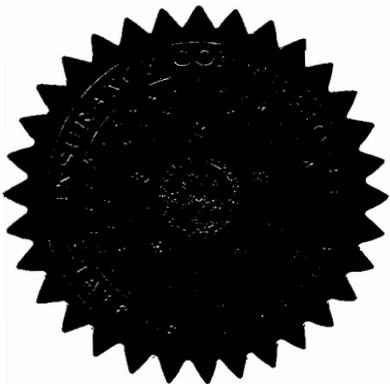
3. The violation is subject to penalty pursuant to Okla. Stat. tit. 36 § 1435.13 (A), (D). Section 1435.13(A) provides that the Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Oklahoma Producer Licensing Act. Section 1435.13(D) allows the Insurance Commissioner to issue a civil fine of not less than One Hundred Dollars (\$100.00) or more than One Thousand Dollars (\$1,000.00) in addition to or in lieu of any applicable denial, probation, censure, suspension, or revocation of a license.

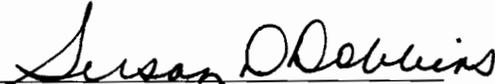
ORDER

IT IS THEREFORE ADJUDGED AND DECREED by the Insurance Commissioner, subject to the following paragraph, that the Respondent has violated Okla. Stat. tit. 36 §§ 1435.13(A)(2), 4087, and OAC 365:25-13-3 and is fined in the amount of \$500.00. Said fine to be paid immediately and remitted to the Oklahoma Insurance Department by mail to Susan D. Dobbins, Legal Division, P.O. Box 53408, Oklahoma City, OK 73152-3408.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondent

requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing of this Order. Such request for a hearing, if desired, shall be made in writing, addressed to the Oklahoma Insurance Department, Legal Division, P.O. Box 53408, Oklahoma City, Oklahoma 73152-3408 and must be served on the Oklahoma Insurance Department within the thirty (30) days allotted. The proceedings on any such requested hearing will be conducted in accordance with the Oklahoma Insurance Code and the Oklahoma Administrative Procedures Act, Okla. Stat. tit. 75 §§ 250 through 327. If Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as a notice of the matters to be reviewed at the hearing, and the Allegations of Fact, Alleged Violations of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing.




Susan D. Dobbins
Assistant General Counsel
Oklahoma Department of Insurance
P.O. Box 53408
2401 N. W. 23rd Street, Suite 28
Oklahoma City, Oklahoma 73152
Telephone:(405) 521-2746

CERTIFICATE OF MAILING

I, Susan D. Dobbins hereby certify that a true and correct copy of the above and foregoing Conditional Administrative Order was mailed certified mail postage prepaid with return receipt requested and by regular mail on this 6 day of Feb 2008 to:

Lawrence Eugene Cannon
5403 Everhart Rd., PMB 105
Corpus Christi, TX 78411

and a copy was hand-delivered to:

OID Agent Licensing Division


Susan D. Dobbins