BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

FILED
JAN - 8 2009
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. KIM HOLLAND, Insurance Commissioner,	)	
Petitioner	)	
v.	)	**Case No. 08-1900-UNI**
MORTGAGE PROTECTION SPECIALISTS	)	
Respondent.	)	

EMERGENCY CEASE AND DESIST ORDER

On this 8 day of January, 2009, the Oklahoma Insurance Department ("Department") through counsel presented to the Oklahoma Insurance Commissioner an Application for Emergency Cease and Desist Order against Respondent Mortgage Protection Specialists.

The Commissioner, having examined the Application, finds that the Oklahoma Insurance Commissioner has jurisdiction over this matter pursuant to the Oklahoma Insurance Code generally, 36 O.S. §§ 101 through 7004, and specifically pursuant to Article 6 of the Insurance Code (Authorization of Insurers), 36 O.S. §§ 601, et seq.; the Oklahoma Producer Licensing Act, 36 O.S. §§ 1435.1, et seq.; the Unauthorized Insurance Business Act, 36 O.S. §§ 6103.1, et seq.; Unfair Practices and Frauds Act, 36 O.S. §§ 1204, et seq.

The Commissioner further finds clear and convincing evidence to support the following findings and orders:

1. Respondent's actions fall within the definition of "doing an insurance business in this State," in violation of 36 O.S. §§ 6103.2 and 6103.3.

2. Respondent's solicitations: utilize the name of an unaffiliated financial institution; solicits the purchase of insurance; fails to state the name of an agency or insurer, create the impression a financial institution is making the solicitation.

3. Respondent has acted as an Insurance Producer without being licensed in violation of 36 O.S. §§ 1435.1, et seq.

4. Respondent has engaged in a course of conduct designed to circumvent and avoid regulatory oversight by the Commissioner, in violation of 36 O.S. § 6103.1.

5. The alleged conduct is an immediate danger to the public or is causing or can be reasonably expected to cause significant, imminent and irreparable public injury.

IT IS THEREFORE ORDERED that Respondent and any agents, affiliates, employees, and/or other representatives, both current and successor, whether named or unnamed herein, shall **CEASE AND DESIST** from all activities related to doing insurance business in this state, including:

1. The making of or proposing to make an insurance contract;
2. Marketing, promoting, advertising, or otherwise distributing solicitations for insurance;
3. The making of or proposing to make, as guarantor or surety, any contract of guaranty or suretyship as a vocation and not merely incidental to any other legitimate business or activity of the guarantor or surety;
4. The taking or receiving of any application for insurance;
5. Maintaining any agency or office where any acts in furtherance of an insurance business are transacted, including but not limited to:
    a. execution of contracts of insurance with citizens of this or any other state,

b. maintaining files or records of contracts of insurance,

c. processing of claims, or

d. receiving or collection of any premiums, commissions, membership fees, assessments, dues or other consideration for any insurance or any part thereof;

6. The issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state;

7. Directly or indirectly acting as an agent for, or otherwise representing or aiding on behalf of another, any person or insurer in:

a. solicitation, negotiation, procurement or effectuation of insurance or renewals thereof,

b. dissemination of information as to coverage or rates, or forwarding of applications, or delivery of policies or contracts,

c. inspection of risks,

d. fixing of rates or investigation or adjustment of claims or losses,

e. transaction of matters subsequent to effectuation of the contract and arising out of it, or

f. in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident, located or to be performed in this state;

8. Contracting to provide indemnification or expense reimbursement in this state to persons domiciled in this state or for risks located in this state, whether as an insurer, agent, administrator, trust, funding mechanism, or by any other method;

9. The doing of any kind of insurance business specifically recognized as constituting the doing of an insurance business within the meaning of the statutes relating to insurance;

10. The doing or proposing to do any insurance business in substance equivalent to any of the foregoing in a manner designed to evade the provisions of the statutes; or

11. Any other transactions of business in this state that utilize the name of an unaffiliated financial institution and creates the impression the financial institution is making the solicitation.

IT IS FURTHER ORDERED Respondent pay all unpaid claims and that this Order is effective immediately and shall continue in full force and effect until further order of the Insurance Commissioner. This Order is binding on Respondent, their agents, affiliates, employees and/or other representatives, both current and successor, whether named or unnamed herein.

Pursuant to 36 O.S. § 6103.6(B), any person affected by this Order and who seeks to contest it, has the right to request a hearing before the Commissioner, or her duly appointed representative, to show cause why this Order should not be affirmed. The person affected must make the request not later than the 30th day after the date on which the person receives this Order. The request must be in writing directed to the Commissioner and must state the grounds for the request to set aside or modify the Order. Pending hearing this Order shall continue in full force and effect unless stayed by the Commissioner. Any such hearing shall be conducted according to the procedures for contested cases under the Insurance Code and 75 O.S. §§ 250-323.

IN THE EVENT THIS ORDER IS VIOLATED, THE COMMISSIONER MAY IMPOSE A CIVIL PENALTY OF $25,000.00 FOR EACH ACT OF VIOLATION, OR DIRECT THE RESPONDENT AGAINST WHOM THE ORDER IS ISSUED TO MAKE COMPLETE RESTITUTION, IN THE FORM AND AMOUNT AND WITHIN THE PERIOD DETERMINED BY THE COMMISSIONER, TO ALL OKLAHOMA RESIDENTS, OKLAHOMA INSURERS, AND ENTITIES OPERATING IN OKLAHOMA DAMAGED BY THE VIOLATION OR FAILURE TO COMPLY, OR IMPOSE BOTH THE PENALTY AND DIRECT RESTITUTION.

KIM HOLLAND
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

CERTIFICATE OF MAILING

I, John Mahoney, hereby certify that a true and correct copy of the above and foregoing Emergency Cease and Desist Order was mailed via certified mail with postage prepaid and return receipt requested on this 8th day of January, 2009, to:

Mortgage Protection Specialists
P.O. Box 219
Woodstock MD 21163-9985

Certified No.

and that a copy was mailed to:

NAIC/RIRS
Postmaster 21163
Maryland Insurance Commissioner

and that a copy was hand-delivered to:

OID Financial Division
OID Agents Licensing Division
OID Anti-Fraud Unit

John Mahoney