BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

FILED
SEP 25 2013
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner,	)	
Petitioner,	)	
v.	)	
	)	Case No. 13- 0871-DIS
MICHAEL'S FUNERAL HOME	)	
Respondent.	)	
Prepaid Funeral Benefits Permit 863294	)	

NOTICE OF RIGHT TO HEARING WITH CONDITIONAL ORDER OF DISCIPLINARY ACTION

The State of Oklahoma, ex rel., John D. Doak, Insurance Commissioner, alleges and states as follows:

JURSDICTION AND AUTHORITY

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma ("the Insurance Commissioner") and, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., including the Prepaid Funeral Benefits Act: 36 O.S. §§ 6121-6136.18.

2. The Respondent, Michael's Funeral Home ("the Permit Holder") is a permitted provider of Prepaid Funeral Benefit Contracts in the State of Oklahoma and holds Permit Number 863294.

3. The Insurance Commissioner may censure a Permit Holder, suspend or revoke a prepaid funeral benefits permit or impose a fine in the amount of from $100 to $1,000 -- or

impose a combination of such disciplinary actions -- if a permit holder violates any provision of the Prepaid Funeral Benefits Act. See 36 O.S. § 6130 (B).

FINDINGS OF FACT

1. John D. Doak 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 Prepaid Funeral Benefits Act: 36 O.S. §§ 6121-6136.18.

2. Respondent is a permitted provider of Prepaid Funeral Benefit Contracts in the state of Oklahoma pursuant to 36 O.S. § 6121 and 36 O.S. § 6124, holding Permit Number 863294.

3. While reviewing the Annual Report filings due from Permit Holders in calendar year 2013, the Oklahoma Insurance Department ("the Department") noted that while the Permit Holder submitted its Annual Report by the March 15, 2013 due date as required by 36 O.S. § 6128, it never submitted the required Accountant's Report on Applying Agreed-Upon Procedures. This makes the Permit Holder's Annual Report incomplete because an integral part of the Report is missing.

4. The regulatory process can be conducted efficiently only if Permit Holders file complete Annual Reports and other regulatory filings in a timely manner.

5. By filing the Annual Report without the Agreed Upon Procedures, the Permit Holder demonstrates a lack of understanding of the requirements and duties associated with the privilege of operating under a prepaid funeral benefits Permit. The fully completed Annual Report is among the most important documents Permit Holders file from a regulatory standpoint. This violation also delays the Department's staff from maintaining an orderly

schedule of review of Permit Holder Annual Reports and delays the detection of possible regulatory problems.

CONCLUSIONS OF LAW

1. The Permit Holder failed to comply with the procedures and processes for filing Annual Reports, thus violating 36 O.S. § 6128. Such actions constitute a breach of the Permit Holder's obligations under the law.

2. The Insurance Commissioner may censure a Permit Holder, suspend or revoke a Prepaid Funeral Permit or impose a fine in the amount of from $100 to $1,000 -- or impose any combination of such disciplinary actions -- if a Permit Holder violates any provision of the Prepaid Funeral Benefits Act. See 36 O.S. § 6130 (B).

CONDITIONAL ORDER

IT IS THEREFORE ORDERED that the Permit Holder pay a fine of $500.00 (Five Hundred Dollars) unless the Permit Holder requests an administrative hearing as described below.

IT IS FURTHER ORDERED that the Permit Holder may request a Hearing within thirty (30) days of receipt of this Order and Notice to determine if any reasons exist that should preclude assessment of the fine described herein. Any request for Hearing must be in writing, addressed to Kelley C. Callahan, Senior Attorney, Oklahoma Insurance Department, Five Corporate Plaza, 3625 N.W. 56th, Suite 100, Oklahoma City, OK 73112, **and give an explanation of Respondent's actions alleged herein and any defenses thereto. If Respondent does not request a hearing within the 30 days allotted, this Order shall become a FINAL ORDER on the 31st day following the receipt of the Order, and the fine ordered herein shall be due and payable.** Any such hearing shall be conducted

according to the procedures for contested individual cases under the Oklahoma Insurance Code and the Administrative Procedures Act, 75 O.S. §§ 250-327. The allegations contained herein shall be the subject matter for the Hearing, and such allegations may be amended as additional information is discovered. The Insurance Commissioner or his appointed Hearing Examiner reserves the right to impose additional or different administrative discipline at a Hearing, if warranted.

WITNESS My Hand and Official Seal this 23rd day of September, 2013.

PAUL WILKENING
Chief Deputy Insurance Commissioner
Oklahoma Insurance Department

CERTIFICATE OF MAILING

I, Kelley C. Callahan, hereby certify that a true and correct copy of the attached Notice of Right to Hearing with Conditional Order of Disciplinary Action was mailed certified mail, return receipt requested on the 25th day of September, 2013 to:

Michael Davis, FDIC
Michael's Funeral Home
P.O. Box 924
Bristow, OK 74010

Certified Mail No.
7001 0320 0003 9967 5369

Oklahoma Funeral Board
ATTN: Chris Ferguson, Deputy Director
4545 North Lincoln, Suite 175
Oklahoma City, OK 73105

Certified Mail No.
7001 0320 0003 9967 5376

KELLEY C. CALLAHAN
Senior Attorney

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

RH-Legal

OFFICIAL USE

7001 0320 0003 9967 5369

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here

OKLAHOMA CITY, OK SHARTEL STA. USPO SEP 25 2013

Sent To

Street, Apt. No.; or PO Box No.

City, State, ZIP+4

Michael's Funeral Home
ATTN: Michael Davis, FDIC
P.O. Box 924
Bristow, OK 74010
rlg/13-0871-DIS/Cond. Ord.

PS Form 3800, January 2001

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Michael's Funeral Home
ATTN: Michael Davis, FDIC
P.O. Box 924
Bristow, OK 74010
rlg/13-0871-DIS/Cond. Ord.

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☒ Agent ☐ Addressee

B. Received by (Printed Name) Michael A. Davis

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

OKLAHOMA INSURANCE DEPARTMENT
OCT 04 2013
Legal Division

OCT 1 2013 USPS

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service label)* 7001 0320 0003 9967 5369

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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OFFICIAL USE

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

SHARTEL STA. OKLAHOMA CITY, OK SEP 25 2013 USPO
Postmark Here

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

Oklahoma Funeral Board
ATTN: Chris Ferguson, Deputy Director
4545 North Lincoln, Suite 175
Oklahoma City, OK 73105
rlg/13-0871-DIS/Cond. Ord.

PS Form 3800, January 2001

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- Attach this card to the back of the mailpiece, or on the front if space permits.

RECEIVED OKLAHOMA INSURANCE DEPARTMENT SEP 30 2013 Legal Division

1. Article Addressed to:

Oklahoma Funeral Board
ATTN: Chris Ferguson, Deputy Director
4545 North Lincoln, Suite 175
Oklahoma City, OK 73105
rlg/13-0871-DIS/Cond. Ord.

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee

B. Received by *(Printed Name)* | C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

RECEIVED SEP 26 2013 FUNERAL BOARD

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number
(Transfer from service label) 7001 0320 0003 9967 5376

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540