

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED IN DISTRICT COURT
OKLAHOMA COUNTY

Stephanie Lee,)
)
Plaintiff,)
)
v.)
)
Glen Mulready, as Oklahoma)
Insurance Commissioner,)
)
Defendant.)

MAR - 6 2019

RICK WARREN
COURT CLERK

41

CJ-2019-1232

PETITION

Plaintiff Stephanie Lee makes the following allegations and brings the following causes of action against Defendant Glen Mulready, Oklahoma Insurance Commissioner (sometimes referred to herein as the "Defendant," "Oklahoma Insurance Department," or "OID"):

STATEMENT OF FACTS

1. The Oklahoma Constitution, Article 2 §7 states, "No person shall be deprived of life, liberty, or property, without due process."
2. Glen Mulready is the Insurance Commissioner as defined by 36 O.S. 301.
3. The Defendant swore to uphold the laws of the State of Oklahoma, both when he was elected to Insurance Commissioner and during his time in the Legislature.
4. The Defendant, while in the Legislature, approved of the very Rules of the Oklahoma Insurance Department.
5. The Defendant has shoved all due process aside, including that of the Oklahoma Constitution, the Oklahoma Insurance Code (36 O.S. §§101 et seq.), the Administrative Procedures Act (75 O.S. §§ 250 et. seq.) and Oklahoma Insurance Department Rules (365:1-

1-1 et seq.).

6. The Oklahoma Insurance Department and insurance carriers are acting as coconspirators in denying the public legal rights, stalling claims, and preventing policy holders from getting even basic repairs done to their property.
7. In addition to the army of lawyers and adjusters in their ranks, insurance carriers now have the added firepower, intimidation, and police power of a state agency.
8. The coordinated attack is detrimental to public policy—especially those on a fixed income who do not have the power, money and political influence that insurance carriers have.
9. The actions of carriers and the Oklahoma Insurance Department are reflecting real economic damages on homeowners across the state.
10. Tokiko Johnson owns the home in Midwest City.
11. Ms. Johnson is an elderly widow on a fixed income who hardly speaks English.
12. Ms. Johnson's home was damaged by a storm on May 18, 2017. (This is not in dispute and has been admitted by her insurance carrier in writing.)
13. Ms. Johnson hired Triple Diamond Construction LLC to assist her in repairing her home.
14. Ms. Johnson has had CSAA Insurance Exchange/CSAA Fire and Casualty Insurance Company d/b/a AAA and paid premiums to them for several years.
15. Ms. Johnson filed a claim with AAA in hopes that they would help pay her to fix her home after the storm because that is why she had insurance.
16. Ms. Johnson had no experience handling an insurance claim and was at a complete disadvantage due to the enormity of AAA's army of adjusters and attorneys; therefore, Ms. Johnson assigned her claim to Triple Diamond, whom she trusted to advocate on her behalf and make sure AAA paid what was owed to her.

17. Assignment of claims have been recognized and supported by Oklahoma Courts and public policy since 1924. See *Frensey Bros. Lumber co. v. Fireman's Fund Ins. Co.*, 104 Okla. 8 (1924), *ABAB, Inc. v. Starnet Ins.*, 2014 WL5448887, *American Alliance Ins. Co. of New York v. McCallie*, 319 P.2d 295, 298 (Okla.1957) , *Shadid v. American Druggist Fire Ins. Co.*, 386 P.3d 311, 314 (Okla.1963). In fact Assignment of Claims are done every day by auto body shops, doctor offices, and hospitals—they are nothing new.
18. AAA has admitted Ms. Johnson's home was damaged by a storm on May 18, 2017.
19. Triple Diamond used AAA's own pricing software, Xactimate, and found that AAA was undervaluing the claim by \$7,000.
20. Had Ms. Johnson not had Triple Diamond's help, she would have likely taken AAA's offer, and been unable to find a contractor to repair her home.
21. After calling AAA out on its low-ball tactic, Triple Diamond invoked the appraisal process.
22. The appraisal process is not only in AAA's policy, but also is a statutory right found in 36 O.S. 4803, which states:

Appraisal. In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty (20) days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen (15) days to agree upon such umpire, then, on request of the insured or this Company, after notice of hearing to the non-requesting party by certified mail, such umpire shall be selected by a judge of a district court in the county where the loss occurred. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item, and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

23. Triple Diamond, as holder of the Assignment of Claim, appointed Stephanie Lee of Coppermark Consulting Corps LLC.
24. Stephanie Lee and Coppermark offer appraisal services in construction disputes and are also public adjusters; however, Lee was hired specifically to act as an *appraiser* and not a *public adjuster* on this claim.
25. On January 11, Ms. Lee emailed a letter to AAA informing them of her appointment as appraiser on behalf of Triple Diamond.
26. Statutorily and under the policy, AAA had 20 days to appoint its own appraiser.
27. AAA ignored its statutory and contractual duty and failed to appoint an appraiser—once again delaying Ms. Lee’s settlement and repair of her property.
28. On February 1, 2019, Lee emailed AAA to advise them that they failed to name an appraiser within 20 days and that she would move forward with an empty chair appraisal.
29. AAA was so infuriated at being called out and for someone to have the nerve to not accept its offer, that they began an all out war of intimidation on Ms. Johnson and anyone who tried to help her.
30. Andrew Norton of AAA, used backdoor channels to contact Ron Kreiter, Deputy General Counsel for the Oklahoma Insurance Department.
31. Mr. Kreiter has only been with the Oklahoma Insurance Department for a few months and appears to have been brought in specifically as an attack dog for the Commissioner for the benefit of insurance carriers.
32. On February 8, 2019, Mr. Kreiter, issued a letter to Stephanie Lee. Attached as **Exhibit A** (the “Letter”).
33. Mr. Kreiter advised Ms. Lee that she could not act as a PA for anyone other than the policy

holder and demanded her compliance, and stated “you will have to withdraw your representation” and “We will be advising the Insurance Company by this letter to deal directly with Mr. Johnson or with a public adjuster who truly represents Mr. Johnson, as he is the insured under the insurance contract relationship with the insurance company.”

34. Mr. Kreiter made no investigation and took AAA’s agent, Mr. Norton at his word.
35. In Letter, Mr. Kreiter made incorrect factual conclusions, such as (1) not knowing Triple Diamond was operating under an Assignment of Claims and (2) that Ms. Lee was acting as a PA when she was really acting as an appraiser. Mr. Kreiter could have learned the correct facts if he would have done a thimble of investigation (such as picking up the phone to call Ms. Lee.)
36. In addition to the negligent handling of the facts, Mr. Kreiter provided Ms. Lee with unethical and false legal conclusions that should probably have him suspended from the practice of law. Mr. Kreiter’s most glaring misrepresentation of the law is shown below:

<p><u>Letter from OID (Kreiter)</u></p> <p>“A public adjuster can represent the interest of an insured for a fee or compensation.”</p>	<p><u>36 O.S. 6202</u></p> <p>...public adjuster represents the interest of an insured <u>or third party</u> for a fee or compensation.</p>
--	---

37. In spite of Mr. Kreiter’s legal opinion, a third party such as an AOC holder, can in fact hire a public adjuster, as very clearly stated in 36 O.S. 6202. (This is all pointless anyway because Ms. Lee was acting as an *appraiser* and not a *public adjuster*.)
38. Mr. Kreiter either knowingly or grossly negligently (but quite conveniently) failed to mention the “or third party” part of the statute.

39. Had Mr. Krieter followed the procedures established in OID's own Rules, he should have been able to realize his omissions, but he chose to ignore the due process rights established under the law.
40. The Insurance Department's Administrative Rules (the "Rules") were created to provide the organization and procedural framework of the Oklahoma Insurance Department. Rule 365:1-1-1.
41. The Rules state that the role of the Legal Division is to defend and prosecute all proceedings held before the Insurance Commissioner. OID Rule 365: 1-1-2(11)(A).
42. Under the umbrella of the Legal Division is the Investigation Division. Rule 365: 1-1-2(11)(B). The authority of the Investigation Division is to forward its findings to the Legal Division. *Id.*
43. It seems that the complaint by AAA went straight to the top and was never sent to the Investigation Division for "investigating."
44. Mr. Kreiter's letter was an **Official Action** as defined by OID and is shown in the statements, "you will have to withdraw your representation" and "We will be advising the Insurance Company by this letter to deal directly with Mr. Johnson or with a public adjuster who truly represents Mr. Johnson, as he is the insured under the insurance contract relationship with the insurance company."
45. "**Official actions** shall only be taken on matters formally pending before the Insurance Commissioner for determination, and then only if such matter be an actual case, controversy or issue." OID Rule 365:1-1-5.
46. Mr. Kreiter never opened any "case" thereby breaking OID's own OID Rule 365:1-1-5, and thereby assisted AAA in the unlawful intimidation of Ms. Lee and Ms. Johnson.

47. Mr. Kreiter's letter was a **Cease and Desist** as defined by OID and is shown in the statements, "you will have to withdraw your representation" and "We will be advising the Insurance Company by this letter to deal directly with Mr. Johnson or with a public adjuster who truly represents Mr. Johnson, as he is the insured under the insurance contract relationship with the insurance company."
48. OID rules state that, "It is the policy of the Commissioner to afford persons who have engaged in unlawful acts and practices an opportunity to enter into voluntary agreements to **cease and desist** there from." OID Rule 365: 1-3-10.
49. Ms. Lee never voluntarily agreed to cease and desist; therefore the Letter violates OID's own Rule 365: 1-3-10, and thereby assisted AAA in the unlawful intimidation of Ms. Lee and Ms. Johnson.
50. Mr. Kreiter's letter was a **Censure** as defined by OID and is shown in the statements, "you will have to withdraw your representation" and "We will be advising the Insurance Company by this letter to deal directly with Mr. Johnson or with a public adjuster who truly represents Mr. Johnson, as he is the insured under the insurance contract relationship with the insurance company."
51. The Office of the Attorney General of the State of Oklahoma, gave its opinion of the definition of censure in 13 Okl. Op. Atty. Gen. 7 (Okl.A.G., Okl. A.G. Opin. No. 81-5, 181 as:

The word "censure" should be given its ordinary meaning. Webster's New International Dictionary 434 (2nd ed. 1935) gives the following definition of the word censure: "to form or express a judgment in regard to; to find fault with or condemn as wrong; to blame; to criticize adversely."

52. "The Commissioner may *censure*, suspend, revoke, or refuse to issue or renew a license

after hearing for any of the following causes...” 36 O.S. 6220(A).

53. Ms. Lee never was afforded a hearing; therefore the Letter violated 36 O.S. 6220(A) and thereby assisted AAA in the unlawful intimidation of Ms. Lee and Ms. Johnson.
54. Additionally, OID violated the Rules and the Administrative Procedures Act (the “APA”) 75 O.S. 250 et. seq.) by failing to afford Ms. Lee:
 - a. Notice of an adverse action. §309(B). Including a statement of the legal authority and jurisdiction. §309(B)(2). *See* also Rule 365:1-7-2.
 - b. An opportunity for hearing after reasonable notice. §309(A).
 - c. An opportunity to respond, present evidence, and argue. §309(C).
 - d. Subpoena witnesses and documentary evidence. Rule 365:1-7-3.
 - e. Cross-examination for a full and true disclosure of the facts. §310(3).
 - f. The right to counsel. §310(5). *See* also Rule 365:1-7-4.
 - g. The right to a transcript. Rule 365:1-7-5.
 - h. An opportunity to review a proposed order. §311(A).
 - i. A written order with findings of fact and conclusions of law. §312(A). *See* also Rule 365:1-7-6.
55. In spite of having her due process rights violated, Ms. Lee desperately tried in vain to get the Insurance Department to reconsider its actions. On February 19, Ms. Lee filed a Demand for Hearing and Reconsideration with OID. (Attached as **Exhibit B.**) To date, OID has refused to set the matter for hearing and refused to even call Ms. Lee’s counsel back to set a hearing.
56. The Insurance Department’s website claims, “We protect consumers by providing accurate, timely and informative insurance information.” The Letter was neither accurate nor

informative.

57. The letter, if anything was “timely” in that it was hurriedly rushed through with its false conclusions and malpracticed legal advice.
58. Neither was the Letter protective of the consumer. In fact, by carbon-copying the letter to Mr. Norton of AAA, the clear intention of Mr. Kreiter was to prove how faithful to the insurance carrier he had been.
59. It is unclear at this point whether Mr. Kreiter had false information and went with it, or whether he knew the facts and disregarded them, or if he knowingly or incompetently misrepresented the law; but what we do know is that insurance carriers are the chief donors to the Insurance Commissioner’s campaign and his office blindly (and maybe coincidentally) followed the orders of the insurance carrier without questioning and broke OID’s own protocol in the process.
60. The Defendant has shoved all due process aside, including that of the Oklahoma Constitution, the Oklahoma Insurance Code (36 O.S. §§101 et seq.), the Administrative Procedures Act (75 O.S. §§ 250 et. seq.) and Oklahoma Insurance Department Rules (365:1-1-1 et seq.).
61. The Oklahoma Insurance Department and insurance carriers are acting as coconspirators in denying the public legal rights, stalling claims, and preventing policy holders from getting even basic repairs done to their property.
62. In addition to the army of lawyers and adjusters in their ranks, insurance carriers now have the added firepower, intimidation, and police power of a state agency.
63. The coordinated attack is detrimental to public policy—especially those on a fixed income who do not have the power, money and political influence that insurance carriers have.

64. The actions of carriers and the Oklahoma Insurance Department are reflecting real economic damages on homeowners across the state.
65. Common folk who wish to file a complaint, must do so online—it is completely impossible to actually reach anyone at OID other than the receptionist. Yet AAA has a Batphone that reaches the highest levels of the Oklahoma Insurance Department in mere seconds.
66. An even bigger problem, and one that should provide the most concern to the public as a whole is that OID is giving free legal advice to insurance carriers: “We will be advising the Insurance Company by this letter to deal directly with Mr. Johnson or with a public adjuster who truly represents Mr. Johnson, as he is the insured under the insurance contract relationship with the insurance company.”

COUNT I – DECLARATORY JUDGMENT

The Plaintiff asserts all allegations stated above related to this cause of action.

67. An actual, existing justiciable controversy exists on the following issues:
 - a. Whether the Letter and the subsequent actions taken by Mr. Kreiter and the OID were an “Official Action,” “Cease and Desist,” or a “Censure” for which the Plaintiff was entitled to due process. The Defendant claims that the Letter and recommendation to AAA were not actions by the Oklahoma Insurance Department. The Plaintiff contends that the Letter and subsequent advice to AAA were either an “Official Action” under OID Rule 365:1-1-5, and/or a “Cease and Desist” under OID Rule 365: 1-3-10, and/or a “Censure” under 36 O.S. 6220(A)—any of which entitled the Plaintiff to due process.
 - b. Whether the Oklahoma Insurance Department may enter a summary order against a person without due process. The Defendant contends that it may summarily

order a person to cease doing his/her occupation without an investigation, hearing or due process. The Plaintiff contends that the Defendant does not have such authority and that the Administrative Procedures Act and the OID Rules must be followed.

- c. Whether a person other than the insured may hire a public adjuster. The Defendant has contended that only an insured may hire a public adjuster. The Plaintiff contends that 36 O.S. 6202 allows third parties to hire a public adjusters.
 - d. Whether a public adjuster is required to follow the public adjuster requirements under the law, even though he/she was hired as an appraiser and not a public adjuster. The Defendant contends that persons acting as appraisers of property damage are acting as public adjusters, and must be licensed to do so. The Plaintiff contends that these persons do not meet the statutory definition found in 36 O.S. 6202(4) of a public adjuster because they are not “negotiating” the claim, but are providing a value.
 - e. Whether the Oklahoma Insurance Department can give legal advice to a person other than the Insurance Commissioner. The Oklahoma Insurance Department contends that taxpayer dollars may be used to provide legal advice to insurance carriers. The Plaintiff contends that the Legal Department is charged with the defense and prosecution of all proceedings held before the insurance Commissioner and representing the Insurance Commissioner in court, according to Rule 365:1-1-2.
68. The Oklahoma Insurance Department has taken a position in the Letter which directly and substantially affects the rights of millions of insured Oklahomans as well as those rights of

appraiser and public adjusters.

69. The Plaintiff, as well as Oklahoma policyholders, require the Court's intervention to resolve the issues presented.

WHEREAS the Plaintiff prays for a declaratory ruling on the issues presented and for injunctive relief against the Defendant from taking a position contrary to the declared judgment of this Court.

COUNT II – WRIT OF MANDAMUS

The Plaintiff asserts all allegations stated above related to this cause of action.

70. The Plaintiff has a clear legal right to (a) act as an appraiser, (b) act as a public adjuster hired by a holder of an AOC, and/or (c) due process before any action is taken against her by the Defendant.
71. The powers and duties of the Insurance Commissioner shall be those created by the Oklahoma Insurance Code. 36 O.S. 301.
72. The Defendant had a legal duty to administer and enforce the provisions of the Oklahoma Insurance Code. 36 O.S. 307.
73. The Defendant breached that duty by:
- a. Taking an official action, by way of the Letter, on a matter not formally pending before the Insurance Commissioner in violation of Rule 365:1-1-5.
 - b. Demanding the Plaintiff cease and desist without it being by voluntary agreement in violation of Rule 365: 1-3-10.
 - c. Censuring Ms. Lee without a hearing in violation of 36 O.S. 6220(A).
 - d. Not providing notice to Ms. Lee of an adverse action against her including a statement of the legal authority and jurisdiction in violation of 750 O.S.

§309(B)(2) and OID Rule 365:1-7-2.

- e. Not providing Ms. Lee an opportunity for hearing after reasonable notice in violation of 750 O.S. §309(A).
 - f. Not providing Ms. Lee an opportunity to respond, present evidence, and argue against the allegations made against her in violation of 750 O.S. §309(C).
 - g. Not providing Ms. Lee an opportunity to subpoena witnesses and documentary evidence in violation of OID Rule 365:1-7-3.
 - h. Not providing Ms. Lee an opportunity to cross-examination for a full and true disclosure of the facts in violation of 750 O.S. §310(3).
 - i. Not providing Ms. Lee an opportunity to the right to counsel in violation of 750 O.S. §310(5) and OID Rule 365:1-7-4.
 - j. Not providing Ms. Lee an opportunity to the right to a transcript in violation of OID Rule 365:1-7-5.
 - k. Not providing Ms. Lee an opportunity to an opportunity to review a proposed order in violation of 750 O.S. §311(A).
 - l. Not providing Ms. Lee an opportunity to a written order with findings of fact and conclusions of law in violation of 750 O.S. §312(A) and OID Rule 365:1-7-6.
 - m. Not allowing Ms. Lee a hearing for reconsideration of the actions taken by the Defendant in violation of OID Rule 365: 1-7-1.
74. The Plaintiff, under threat of prosecution by the Defendant, as well as the adverse action taken by AAA, is wholly unable to perform her trade and is completely without adequate relief other than a Writ issued by this Court.

WHEREAS the Plaintiff prays for a Writ of Mandamus to issue to the Defendant

ordering him to (a) rescind the Letter and all statements to AAA related to the Letter and the Plaintiff and (b) afford personal all due process rights, such as those stated in the Oklahoma Insurance Code, Administrative Procedures Act, and OID Rules.

COUNT II – WRIT OF PROHIBITION

75. The Defendant acting in a quasi-judicial manner by summarily entering an order by way of Letter adverse to Ms. Lee, as well as the affirmative statements acted upon by AAA.

76. The Letter and actions by the Defendant were unauthorized by law:

- a. Taking an official action, by way of the Letter, on a matter not formally pending before the Insurance Commissioner in violation of Rule 365:1-1-5.
- b. Demanding the Plaintiff cease and desist without it being by voluntary agreement in violation of Rule 365: 1-3-10.
- c. Censuring Ms. Lee without a hearing in violation of 36 O.S. 6220(A).
- d. Not providing notice to Ms. Lee of an adverse action against her including a statement of the legal authority and jurisdiction in violation of 750 O.S. §309(B)(2) and OID Rule 365:1-7-2.
- e. Not providing Ms. Lee an opportunity for hearing after reasonable notice in violation of 750 O.S. §309(A).
- f. Not providing Ms. Lee an opportunity to respond, present evidence, and argue against the allegations made against her in violation of 750 O.S. §309(C).
- g. Not providing Ms. Lee an opportunity to subpoena witnesses and documentary evidence in violation of OID Rule 365:1-7-3.
- h. Not providing Ms. Lee an opportunity to cross-examination for a full and true disclosure of the facts in violation of 750 O.S. §310(3).

- i. Not providing Ms. Lee an opportunity to the right to counsel in violation of 750 O.S. §310(5) and OID Rule 365:1-7-4.
 - j. Not providing Ms. Lee an opportunity to the right to a transcript in violation of OID Rule 365:1-7-5.
 - k. Not providing Ms. Lee an opportunity to an opportunity to review a proposed order in violation of 750 O.S. §311(A).
 - l. Not providing Ms. Lee an opportunity to a written order with findings of fact and conclusions of law in violation of 750 O.S. §312(A) and OID Rule 365:1-7-6.
 - m. Not allowing Ms. Lee a hearing for reconsideration of the actions taken by the Defendant in violation of OID Rule 365: 1-7-1.
 - n. Giving legal advice to AAA.
77. The Plaintiff has a clear legal right to (a) act as an appraiser, (b) act as a public adjuster hired by a holder of an AOC, and/or (c) due process before any action is taken against her by the Defendant.
78. The powers and duties of the Insurance Commissioner shall be those created by the Oklahoma Insurance Code. 36 O.S. 301.
79. The Defendant had a legal duty to administer and enforce the provisions of the Oklahoma Insurance Code. 36 O.S. 307.
80. The Defendant has refused to perform these duties stated above.
81. The Plaintiff, under threat of prosecution by the Defendant, as well as the adverse action taken by AAA, is wholly unable to perform her trade and is completely without adequate relief other than a Writ issued by this Court.

WHEREAS the Plaintiff prays for a Writ of Prohibition to issue to the Defendant

ordering him from (a) sending future letters or taking summary action such as that stated in the Letter without due process, such as those stated in the Oklahoma Insurance Code, Administrative Procedures Act, and OID Rules, and (b) giving legal advice to any person outside of the Oklahoma Insurance Department, especially that of an insurance carriers.

Respectfully submitted:

/s/ Aaron Stiles

Aaron Stiles, OBA #22012

Downtown Legal Group

116 W. Main Street

Norman, Oklahoma 73069

(405) 310-3465

aaron@dlgok.com

Attorney for Plaintiff

EXHIBIT A

Letter from OID

OKLAHOMA INSURANCE DEPARTMENT

FIVE CORPORATE PLAZA
3625 NW 56TH, SUITE 100
OKLAHOMA CITY, OK 73112
WWW.OID.OK.GOV



LEGAL DIVISION
PHONE: 405.521.2746
FAX: 405.522.0125

GLEN MULREADY
INSURANCE COMMISSIONER

February 8, 2019

CERTIFIED MAIL NO. 9214 8902 0982 7500 0172 11

Stephanie Lee
Public Adjuster
2410 W. Memorial Road,
Suite C441
Oklahoma City, OK 73134

Re: Tokiko Johnson

Dear Ms. Lee:

We have been apprised that you are using your public adjuster license on behalf of a contractor. A public adjuster can represent the interests of an insured for a fee or compensation. And, a public adjuster may investigate claims and negotiate losses to property only for the insured. This does not include working on behalf of a contractor or recommending a contractor. Since you have written to the company on behalf of Triple Diamond Construction, you will have to withdraw your "representation" as also representing Tokiko Johnson as a public adjuster since you would be violating the Oklahoma Insurance Code by your current activities.

We will be advising the Insurance Company by this letter to deal directly with Mr. Johnson or with a public adjuster who truly represents Mr. Johnson, as he is the insured under the insurance contract relationship with the insurance company.

We look forward to your future compliance under your license.

Sincerely

A handwritten signature in black ink, appearing to read "Ron Kreiter".

Ron Kreiter
Deputy General Counsel

cc: CSAA Insurance Group
Attn: Andrew Norton

EXHIBIT B

Demand for Hearing and Reconsideration

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF OKLAHOMA

FILED

FEB 19 2018

INSURANCE COMMISSIONER
OKLAHOMA

State of Oklahoma, ex re. Glen)
Mulready, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
Stephanie Lee, a licensed public)
Adjuster,)
)
Respondent.)

Case No. 19-0081-DIS

DEMAND FOR HEARING AND RECONSIDERATION

COMES NOW the Respondent, Stephanie Lee, by and through counsel, Aaron Stiles, and alleges and states as follows:

Jurisdiction and Authority

1. Glen Mulready 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. Stephanie Lee (“Respondent”) is a licensed public adjuster in the State of Oklahoma.
3. The Insurance Commissioner “may hold hearings on any matters within his/her jurisdiction under the Insurance Code...upon written demand therefore by any person *aggrieved by any act, threatened act, or failure to act of the Insurance Commissioner.*” OID Rule 365: 1-7-1.
4. Respondent alleges that she has been *aggrieved by an act, threatened act and/or failure to act by the Insurance Commissioner.*

5. In spite of the use of the word “may,” the Administrative Procedures Act states, “In an individual proceeding, all parties shall be afforded an opportunity for hearing after reasonable notice.”

Allegation of Facts

6. On February 8, 2019, Ron Kreiter, Deputy General Counsel for the Oklahoma Insurance Department (OID), issued a demand letter to Respondent. The letter is attached as Exhibit A (the “Letter”).
7. The demands and actions of OID stated in the Letter speak for themselves.
8. The letter was an official action of OID.
9. Respondent was not afforded due process prior to the official action of OID.
10. Respondent requests a hearing for reconsideration and for rescission of the letter.

List of Authorities

11. Respondent submits the following authorities: 36 O.S. §307-312, § 4803, § 6202, §6220. 75 O.S. 250 et. seq. OID Rules 365 §1-1-1, §1-1-2, §1-1-5, §1-3-1 , §1-3-10, §1-7-1, §1-7-3, §1-7-4, §1-7-5.

Notices

12. OID is hereby notified that the Respondent intends to fully exercise her rights under the Administrative Procedures Act (75 O.S. 250 et. Seq.) including that of being represented by counsel, conducting cross examination.
13. OID is hereby notified that the Respondent demands the hearing be recorded, coordinated by OID but paid by the Respondent. Rule 365:1-7-5.

14. Pursuant to OID Rule 365:1-7-3 which states, “The Insurance Commissioner shall have the power to subpoena witnesses and administer oaths or to subpoena documentary evidence in any case before him/her. Any person and/or party to hearing before the Insurance Commissioner who may be adversely affected by the order of the Insurance Commissioner shall have the right to have subpoenas issued to any witnesses in his/her behalf.”

WHEREFORE, Ms. Lee demands that the Insurance Commissioner issue the following subpoenas:

- a. *Subpoena ad Testificandum* to Ron Kreiter, Deputy General Counsel for the Oklahoma Insurance Department.
- b. *Subpoena ad Testificandum* to Andrew Norton, CSAA Insurance Group. Mr. Kreiter carbon copied this person in his Letter, therefore, his address must be in the possession of OID.
- c. *Subpoena Duces Tecum* to the Oklahoma Insurance Department and Ron Kreiter for all documents and communications related to this matter, Stephanie Lee and Tokiko Johnson.

WHEREFORE, the Respondent demands a hearing by the Insurance Commissioner on the aggrieved matter at a time and place certain, that the Insurance Commissioner issue the *Subpoena Duces Tecum* and *Ad Testificandums* stated hearing, that the Respondent be afforded all rights under the Administrative Procedures Act, that the Insurance Commissioner issue a final agency order with findings of fact and conclusions of law, and that the Insurance Commissioner rescind the Letter and all actions taken by OID against the Respondent.

Respectfully submitted:

/s/ Aaron Stiles

Aaron Stiles, OBA #22012

Downtown Legal Group

116 W. Main Street

Norman, Oklahoma 73069

(405) 310-3465

aaron@dlgok.com

Attorney for Respondent