

**BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS**

In the Matter of the Kansas Nonresident )  
Insurance Agent's License of )  
**SHAHEED BRADFORD,** ) Docket No. **4635--SO**  
NPN 16449419. )

**SUMMARY ORDER**  
(Pursuant to K.S.A. 40-4909 and K.S.A. 77-537)

Pursuant to authority granted to the Commissioner of Insurance ("Commissioner") by K.S.A. 40-4909, the Commissioner hereby proposes to find facts and revoke the nonresident insurance agent's license of Shaheed Bradford ("Respondent") by way of Summary Order as provided by K.S.A. 77-537.

**Findings of Fact**

1. Following investigation, the Commissioner has no reason to believe that protection of the public interest requires the Commissioner to give notice and opportunity to participate to anyone other than Respondent.
2. Following investigation, the Commissioner finds evidence sufficient to support the following facts:
3. Respondent is licensed as a Kansas nonresident insurance agent and has been continuously so licensed since November 7, 2011.
4. Respondent's legal address of record is in San Antonio, Texas, and his mailing address of record is Allstate Insurance, 12238 Silicon Drive, Suite 150, San Antonio, TX 78249-3459.
5. From November 23, 2011, until his employment was terminated for cause on or about July 8, 2013, Respondent was affiliated with Nationwide Sales Solutions, Inc., a Kansas licensed nonresident insurance agency ("the agency") and appointed as an agent of various Nationwide Insurance companies ("Nationwide").
6. According to the agency's mandatory report to KID, Respondent's termination resulted from his participation with other associates in fraudulent activities related to the

“Guest Express” debit cards used by associates to purchase meals in the cafeteria serving the agency office.

7. Each time a debit card is issued, the bank advances \$200 for immediate use.

8. Nationwide analyzed card usage and found that several employees used false names, identification information, and fictitious bank account information to apply for a series of debit cards, using each for a short period of time and applying for a new card before exceeding the \$200 advance.

9. The agency’s report reflected that Respondent denied ever applying for a card in anyone else’s name but admitted getting replacement cards for a friend, “J.C.,” and using cards she gave him to use.

10. The agency’s report reflected that Respondent denied knowledge of what the friend was doing but admitted he knew something was “fishy” and offered to take responsibility for the monetary loss to the company.

11. Although a forensic analysis of the Nationwide computer did not find evidence that Respondent had visited the card application website, J.C. stated that Respondent personally applied for fraudulent Guest Express cards using his cell phone, and another associate admitted to applying for and using the cards and stated that Respondent and J.C. explained to him how to do it.

12. By letter of January 7, 2014, addressed to Respondent at his mailing addresses of record, counsel for KID invited Respondent to reply by January 17 if he disputed the foregoing facts.

13. Respondent replied, denying that he was personally involved and stating that he was terminated for failing to report suspicious activities of his co-worker.

14. The Commissioner finds Respondent’s account is not credible in light of the detail contained in the agency’s report, and further, even if it is accurate, Respondent knew about, condoned, and accepted benefits from a pattern of dishonest conduct by other insurance agents in his workplace.

### **Applicable Law**

15. K.S.A. 40-4909(a) provides, in relevant part:

“The commissioner may deny, suspend, revoke or refuse renewal of any license issued under this act if the commissioner finds that the applicant or license holder has: . . .

(8) Used any fraudulent, coercive, or dishonest practice, or demonstrated any incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.” K.S.A. 2012 Supp. 40-4909(a).

16. In addition, the Commissioner may revoke any license issued under the Insurance Agents Licensing Act if the Commissioner finds that the interests of the insurer or the insurable interests of the public are not properly served under such license. K.S.A. 2012 Supp. 40-4909(b).

17. “Any action taken under this section which affects any license or imposes any administrative penalty shall be taken only after notice and an opportunity for hearing conducted in accordance with the provisions of the Kansas administrative procedures act.” K.S.A. 2012 Supp. 40-4909(c).

18. “Whenever the commissioner imposes any administrative penalty or denies, suspends, revokes or refuses renewal of any license pursuant to subsection (a), any costs incurred as a result of conducting an administrative hearing authorized under the provisions of this section shall be assessed against the person who is the subject of the hearing or any business entity represented by such person who is the party to the matters giving rise to the hearing.” K.S.A. 2012 Supp. 40-4909(f).

### **Conclusions of Law**

19. The Commissioner has jurisdiction over Respondent as well as the subject matter of this proceeding, and such proceeding is held in the public interest.

20. The Commissioner finds that Respondent’s license may be revoked pursuant to K.S.A. 40-4909(a)(8) because his involvement in a pattern of fraudulent and dishonest practices.

21. The Commissioner thus finds that sufficient grounds exist for the revocation of Respondent’s insurance agent license pursuant to K.S.A. 2012 Supp. 40-4909(a).

22. In addition, the Commissioner finds that Respondent's license may be revoked pursuant to K.S.A. 2012 Supp. 40-4909(b) because Respondent's license is not serving the interests of insurers or the insurable interests of the public.

23. Based on the facts and circumstances set forth herein, it appears that the use of summary proceedings in this matter is appropriate, in accordance with the provisions set forth in K.S.A. 77-537(a), in that the use of summary proceedings does not violate any provision of the law, the protection of the public interest does not require the KID to give notice and opportunity to participate to persons other than Respondent, and after investigation, KID believes in good faith that the allegations will be supported to the applicable standard of proof.

#### **Policy to be Served**

Before issuing an insurance agent license, the Commissioner must determine that the applicant is qualified and has not committed any act that would be grounds for denial, suspension, or revocation. K.S.A. 40-4905(b). Further, the Commissioner may revoke any license issued under the Insurance Agents Licensing Act if the Commissioner finds that the interests of the insurer or the insurable interests of the public are not properly served under the license. The following action is appropriate to promote the security and integrity of the insurance business and protect insurance consumers by licensing, or continuing to license, persons or entities to sell, solicit, or negotiate insurance in the State of Kansas only if their conduct indicates they are both qualified and trustworthy.

**THE COMMISSIONER OF INSURANCE THEREFORE ORDERS** that the Kansas nonresident insurance agent's license of **SHAHEED BRADFORD** is hereby **REVOKED** and **SHAHEED BRADFORD** shall **CEASE and DESIST** from the sale, solicitation, or negotiation of insurance, doing any act toward the sale, solicitation, or negotiation of insurance, and/or receiving compensation deriving from the sale, solicitation, or negotiation of insurance in Kansas or on Kansas risks through business conducted on and after the effective date of this order.

**It is further ordered**, pursuant to KSA 77-415(b)(2)(A), that this order is designated by KID as precedent.

IT IS SO ORDERED THIS \_\_24th\_\_ DAY OF JANUARY 2014, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



\_\_\_\_\_/s/ Sandy Praeger\_\_\_\_\_  
Sandy Praeger  
Commissioner of Insurance

BY:

\_\_\_\_\_/s/ John Wine\_\_\_\_\_  
John Wine  
General Counsel

**NOTICE OF RIGHTS TO HEARING AND REVIEW**

**Within fifteen (15) days of the date of service of this Summary Order, Respondent** may submit a written request for a hearing pursuant to K.S.A. 77-537 and K.S.A. 77-542. Any request for a hearing should be addressed to the following:

John Wine, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

If a hearing is requested, the Kansas Insurance Department will serve notice of the time and place of the hearing and information on procedures, right of representation, and other rights of parties relating to the conduct of the hearing.

**If a hearing is not requested in the time and manner stated above, this Summary Order shall become effective as a Final Order upon the expiration of time for requesting a hearing.** In the event Respondent files a Petition for Judicial Review, pursuant to K.S.A. 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is

John Wine, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

**Certificate of Service**

The undersigned hereby certifies that she served a true and correct copy of the above and foregoing **Summary Order** and accompanying **Notice of Rights** on this 24th day of January 2014 by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Shaheed Bradford  
Allstate Insurance  
12238 Silicon Dr., Ste 150  
San Antonio, TX 78249-3459

\_s/ Brenda J. Clary \_\_\_\_\_  
Brenda J. Clary  
Staff Attorney