

Reference: ODS File No. 12-057

Colby Ruth

I am writing in response to a letter From the State of Oklahoma Department of Securities ODS File No. 12-057. Farmers Insurance accused me of misappropriation of customer funds. The transactions in question are three checks.

The first check was from a business called Asian Foot Spa for the amount of \$530.00. This check was made payable to Colby Ruth Insurance Agency and was deposited into an account under the name Colby Ruth DBA Colby Ruth Insurance. This account is used for client premiums that are collected for policies not written through Farmers Insurance. Once the property and casualty broker issues a policy they make an EFT withdrawal from the account or I send them a check minus my commission. I was not sure the client would qualify for Farmers Insurance so I took two applications for them. One for Farmers and the other for an outside carrier. The Farmers policy was issued and due to mismanagement on my part the premium was not transferred to them until the customer made a complaint for being sent a notice of cancellation. At this time I immediately applied \$530.00 to their Farmers policy.

The other two checks in question are for a business called Team Pizza. An application was taken for a policy again that was not written through Farmers Insurance, but an outside carrier. The payment was put into the same DBA Colby Insurance account. In this case a policy was not issued due to mismanagement on my part. Once it was made known to me that an error was made the client was made aware and obtained coverage through another company. A complete refund was given to the client immediately.

These two instances were within the same month. I Colby Ruth (agent in question) was going through extreme personal hardship and made the error of not issuing and or applying payment to the correct policy. There was no knowledge of any wrong doing on my part.

If disciplinary action is to be taken against me then I would like to exercise my right to a hearing. If not I was currently seeking to renew my securities license at this time and would like to put this behind me.

Thank you,

Colby Ruth

06/07/2012

