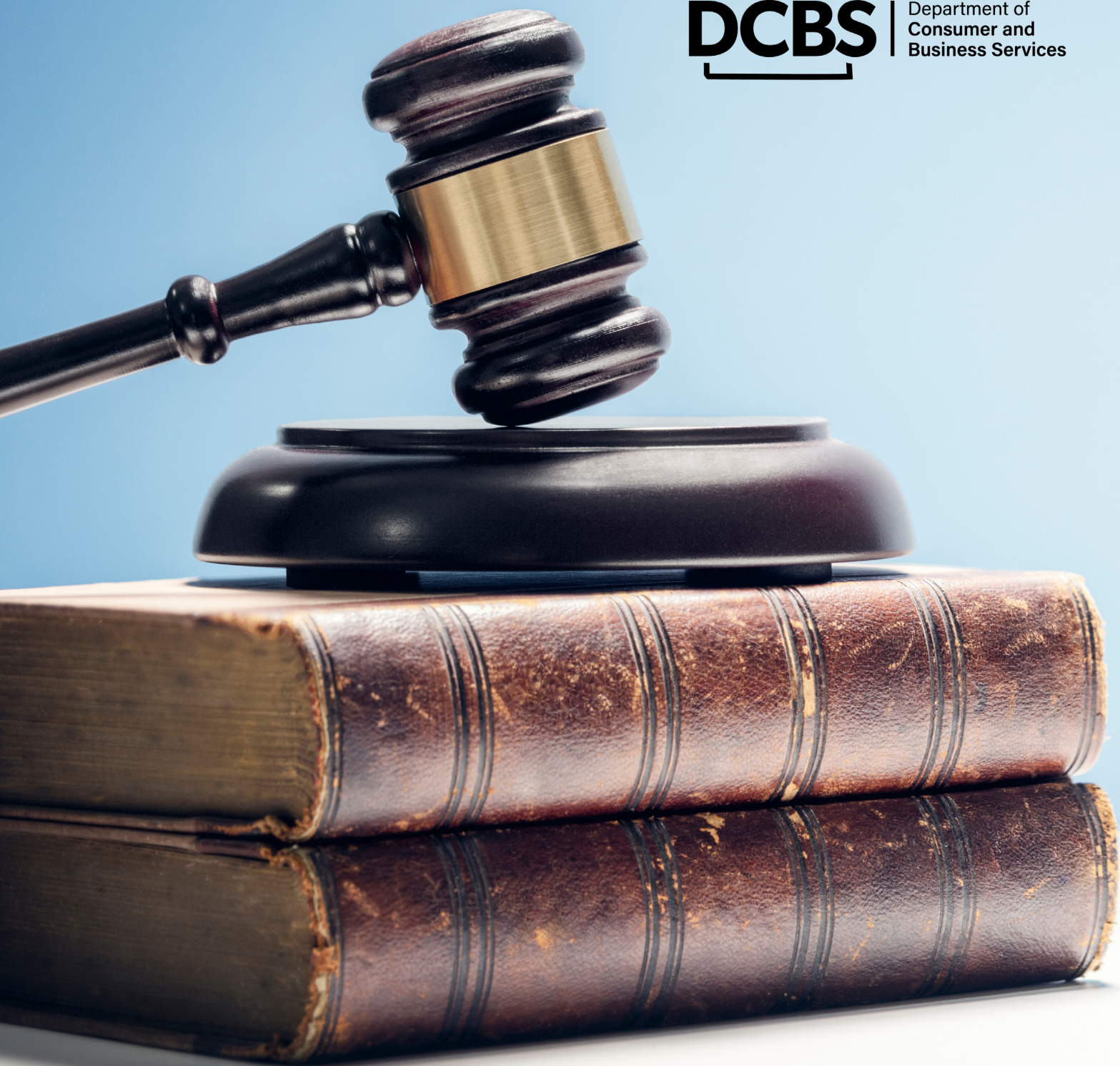


Taking Action



To protect consumers and promote a healthy business climate

Taking Action is a quarterly publication of the Division of Financial Regulation and includes summaries of the final orders issued by the division. Below are orders issued from the first two quarters of 2023.

Insurance



- **Alpha Property & Casualty, [INS-22-0106](#)** – The division issued a cease-and-desist order and fined Alpha Property and Casualty Insurance Company \$50,000 for failing to send required total loss notices on 704 auto claims between 2020 and 2021. The order also requires Alpha to implement a corrective action plan to address the notice deficiencies.
- **Adroit Health Group LLC, [INS-21-0061](#)** – The division issued a cease-and-desist order and accepted the voluntary surrender of the business entity insurance producer license of Adroit Health Group LLC for failing to respond to multiple inquiries from the division and operating under a new assumed business name without first informing the division. Adroit agreed to surrender its license and to refrain from re-applying for a new license for a period of three years. The division also fined Adroit \$20,000.
- **GEICO General Insurance Company, [INS-22-0111](#)** – The division issued a cease-and-desist order and fined GEICO General Insurance Company \$1,000 for submitting a license application on behalf of one of its insurance producers that contained false statements. The insurance producer submitted an initial application, and while that application was still pending, GEICO submitted a second application that contained false information about whether the

producer had ever been convicted of a misdemeanor, had a judgement withheld or deferred, or was currently charged with committing a misdemeanor.

- **William M. Johnson and Johnson Insurance Agency PC, [INS-21-0005](#)** – The division issued a cease-and-desist order and fined resident insurance producer William M. Johnson and Johnson Insurance Agency PC \$22,000 for incompetence in the insurance industry. Johnson Insurance Agency permitted an inaccurate insurance declarations page to be included in its files pertaining to an expired insurance policy. Johnson, as principal and designated responsible licensed person of Johnson Insurance Agency, issued proof of insurance for the expired policy based on the inaccurate declarations page.
- **Hope E. Olsen and JR Olsen Bonds & Insurance Brokers Inc., [INS-22-0051](#)** – The division issued a cease-and-desist order and revoked the nonresident insurance producer licenses of Hope Olsen and JR Olsen Bonds & Insurance Brokers Inc. for failing to remit a premium to an insurance underwriter that resulted in the cancellation of an insurance policy. Hope Olsen and JR Olsen Bonds also failed to respond to division inquiries regarding this transaction. In addition to the license revocations, the division fined Hope Olsen and JR Olsen Bonds \$1,500 and \$15,000, respectively, for their violations of the Insurance Code, and required that they pay another \$3,656, which is the amount of the premium payments that were improperly withheld.
- **Gary A. Evenvold, [INS-22-0109](#)** – The division issued a cease-and-desist order and fined resident insurance producer Gary Evenvold \$4,000 for enrolling an Oregon consumer in health insurance without her express consent and for failing to promptly, truthfully, and completely responding to the division’s inquiries. In addition

to the fine, the order requires Evenvold to pay the Oregon consumer \$864, which is the amount of commissions Evenvold collected in 2019 through 2021 for the improper health insurance enrollments, and requires Evenvold to update his policies and procedures to ensure he is receiving the proper authorization for future health insurance enrollments.

- **Jermaine Otis Johnson, INS-22-0113** – The division issued a cease-and-desist order and fined Jermaine Johnson \$500 for submitting a nonresident insurance producer license application that failed to disclose his criminal history, and for failing to respond to the division’s inquiries regarding the same. In addition to the fine, the division revoked Johnson’s nonresident insurance producer license, and denied his nonresident insurance producer license application.
- **ConnectYourCare LLC, INS-22-0062** – The division issued a cease-and-desist order and fined ConnectYourCare LLC \$2,000 for failing to timely file the annual report required of third-party administrators in 2019 and 2021.

- **Creative Billing Solutions LLC, INS-22-0077** – The division issued a cease-and-desist order and fined Creative Billing Solutions LLC \$2,000 for failing to timely file the annual report required of third-party administrators in 2020 and 2021.
- **Diversified Benefit Administrators Inc. INS-22-0078** – The division issued a cease-and-desist order and fined Diversified Benefit Administrators Inc. \$2,000 for failing to timely file the annual report required of third-party administrators in 2020 and 2021.
- **Kaiser Foundation Health Plan of the Northwest, INS-23-0023** – The division issued a cease-and-desist order and fined Kaiser Foundation Health Plan of the Northwest, dba Kaiser Permanente, \$25,000 for failing to comply in a timely manner with the decision of an independent review organization (IRO). The IRO decision reversed Kaiser’s denial of a medically necessary procedure, which Kaiser denied a second time but ultimately approved after the insured filed a complaint with the division.



- **Sedgwick Claims Management Services Inc.,** [INS-23-0020](#) – The division issued a cease-and-desist order and fined Sedgwick Claims Management Services Inc., a third-party administrator, \$10,000 for failing to send 28 out of 30 Oregon insureds the required Oregon total loss notice for cash settlements, or for sending them an incomplete notice.
- **Palomar Specialty Insurance Company,** [INS-23-0016](#) – The division issued a cease-and-desist order and fined Palomar Specialty Insurance Company \$10,000 for failure to timely file its 2022 annual financial report with the division.
- **Kevin J. Lee,** [INS-19-0008](#) – The division issued a cease-and-desist order and revoked the resident insurance producer and insurance consultant licenses of Kevin J. Lee for violations of the Oregon Securities Law and the Insurance Code. The division's investigation revealed Lee transacted business as a state investment adviser without the required license; failed to promptly and truthfully respond to the director's inquiry; acted dishonestly and provided misleading information on his insurance license applications; used dishonest practices and demonstrated untrustworthiness in the conduct of business; failed to disclose material facts; engaged in an act, practice, or course of business which operated as a fraud or deceit upon a person; and filed with the director, a statement, report or document known to be false in a material respect. The division's order also denies Lee the ability to use exemptions that would otherwise be available to him under the Oregon Securities Law. In addition to the cease-and-desist, revocation of insurance licenses, and denial of exemptions, the division fined Lee \$61,000.
- **Michael DeLaGrange, dba Insurance Lounge,** [INS-21-0020](#) – The division issued a cease-and-desist order and fined Michael DeLaGrange and his company Insurance Lounge \$20,000 for selling unregistered securities without a securities license. DeLaGrange raised a total of \$660,000 from four individual investors through the sales of unregistered promissory notes. Some of the individual investors were insurance clients of DeLaGrange. The division's investigation revealed that DeLaGrange did not adequately disclose certain information to some investors, including pre-existing commercial debt owed by DeLaGrange and his company. The order places the resident insurance producer license of DeLaGrange in probationary status for a period of three years, during which time DeLaGrange is required to make regular compliance reports to the division. The order also denies DeLaGrange and his company the ability to use exemptions that would otherwise be available to them under the Oregon Securities Law.
- **Scott Santana and SIA Inc.,** [INS-22-0032](#) – The division issued a cease-and-desist order and suspended the resident insurance producer license of Scott Santana for six months, followed by an 18-month probationary license, for engaging in incompetent conduct. Santana provided numerous clients with summaries and certificates showing they had insurance coverage he had not actually acquired for them. In addition to the cease-and-desist and license suspension/probation, the division placed Santana's agency, SIA Inc., on probation for two years and fined Santana and SIA Inc. \$13,000. During the license probationary periods, Santana and SIA are required to provide the division with regular compliance reports and meet other compliance related requirements.
- **Domingo A. Lopez,** [INS-22-0099](#) – The division issued a cease-and-desist order and revoked the nonresident insurance producer license of Domingo A. Lopez for misrepresentation in an insurance transaction and displaying incompetence in the insurance industry. Lopez failed to explain to an Oregon consumer that the insurance policy he sold was not major medical and did not cover the consumer's dialysis treatments. Lopez also made significant errors on the application for the insurance policy, with the result that the consumer did not timely receive documentation for his policy and was not able to contact the insurer. In addition to the cease-and-desist and license revocation, the division fined Lopez \$5,000.
- **Jeremy Trautman,** [INS-22-0126](#) – The division issued a cease-and-desist order and revoked the resident insurance producer license of Jeremy Trautman for engaging in incompetent and untrustworthy conduct, using coercive and dishonest practices, and making false statements in connection with insurance applications. Trautman bundled insurance products without sufficiently describing them, sold insurance products without sufficient regard for his client's needs and/

or requests, and failed to provide accurate and complete information to clients regarding insurance products. In addition to the cease-and-desist and license revocation, the division fined Trautman \$5,000. Trautman was an employee of Velapoint LLC at the time of these violations, a company subject to separate enforcement action by the division. See **Velapoint LLC, INS-22-0023**.

- **Marilyn Darling, INS-23-0009** – The division issued a cease-and-desist order and fined resident insurance producer Marilyn Darling \$4,000 for engaging in incompetent and untrustworthy conduct, and using coercive and dishonest practices, in connection with insurance applications. Darling bundled insurance products without sufficiently describing them and failed to provide accurate and complete information to clients regarding insurance products. Darling was an employee of Velapoint LLC at the time of these violations, a company subject to separate enforcement action by the division. See **Velapoint LLC, INS-22-0023**.
- **Jack E. Shelton, INS-23-0023** – The division issued a cease-and-desist order and revoked the resident insurance producer license of Jack E. Shelton. Shelton had previously agreed to entry of a consent order to resolve an earlier enforcement action with the division. See **INS-21-0049**. Shelton failed to timely pay the fines imposed by that consent order and ceased responding to communications from the division. In addition to the cease-and-desist and license revocation, the division re-imposed \$8,000 of fines that had been suspended under the consent order and fined Shelton an additional \$1,000.
- **Brent W. Collins-Sopiwnik, INS-23-0026** – The division issued an order suspending the resident insurance producer license of Brent William Collins-Sopiwnik for failure to pay child support that was in arrears, and failing to enter into an agreement with the Oregon Child

Support Program to address those arrears. After suspending his license, Collins-Sopiwnik got back into compliance with the Oregon Child Support Program and the division reinstated his license.

- **Jacob J. Finch, INS-22-0108** – The division issued a cease-and-desist order and fined resident insurance producer Jacob Finch \$1,000 for violating the Insurance Code. Finch failed to create and keep records pertaining to a request by an Oregon consumer to reduce the dwelling coverage in a homeowners insurance policy.
- **Jarratt Jheryl White, INS-22-0052** – The division issued a cease-and-desist order and denied the nonresident insurance producer license application of Jarratt White for failing to disclose a conviction for a federal crime, and failing to respond to division requests regarding the same. The division also fined White \$500.
- **Kenneth L. McIntosh, INS-23-0008** – The division issued a cease-and-desist order and fined Kenneth McIntosh \$1,000 for failing to disclose criminal convictions in his license application.



Mortgage

- **A Better Life Mortgage LLC, M-23-0004** – The division issued a cease-and-desist order and fined mortgage broker A Better Life Mortgage \$2,000 for failing to timely file its 2022 third-quarter mortgage call report.
- **Allsource Mortgage LLC, M-22-0115** – The division issued a cease-and-desist order and fined mortgage broker Allsource Mortgage \$6,000 for failing to file its 2021 annual financial report and for failing to timely file its 2022 first- and second-quarter mortgage call reports.
- **Americas Best Home Loans LLC, M-23-0002** – The division issued a cease-and-desist order and fined mortgage broker Americas Best Home Loans \$2,000 for failing to file its 2022 third-quarter mortgage call report.
- **DC Lending LLC, M-22-0127** – The division issued a cease-and-desist order and fined mortgage broker DC Lending \$2,000 for failing to timely file its 2022 second-quarter mortgage call report.
- **Grand Realty LLC, M-22-0122** – The division issued a cease-and-desist order and fined mortgage broker Grand Realty \$2,000 for failing to timely file its 2022 first-quarter mortgage call report.
- **Kendall Home Finance LLC, M-22-0123** – The division issued a cease-and-desist order and fined mortgage broker Kendall Home Finance \$2,000 for failing to timely file its 2022 second-quarter mortgage call report.
- **Next Level Mortgage LLC, M-22-0120** – The division issued a cease-and-desist order and fined mortgage broker Next Level Mortgage \$2,000 for failing to timely file its 2022 second-quarter mortgage call report.
- **Northern Mortgage Company, M-22-0124** – The division issued a cease-and-desist order and fined mortgage broker Northern Mortgage Company \$6,000 for failing to file its 2021 annual financial report and for failing to file its 2022 first- and second-quarter mortgage call reports.
- **Northwest Mortgage Processing LLC, M-22-0119** – The division issued a cease-and-desist order and fined mortgage broker Northwest Mortgage Processing \$6,000 for failing to timely file its 2021 annual financial report and for failing to timely file its 2022 first- and second-quarter mortgage call reports.
- **NW Mortgage Hub Inc., M-22-0116** – The division issued a cease-and-desist order and fined mortgage broker NW Mortgage Hub \$2,000 for failing to timely file its 2022 second-quarter mortgage call report.
- **Pacific Home Funding LLC, M-22-0117** – The division issued a cease-and-desist order and fined mortgage broker Pacific Home Funding \$6,000 for failing to timely file its 2021 annual financial report and for failing to timely file its 2022 first- and second-quarter mortgage call reports.
- **Sign On The Line Inc., M-23-0002** – The division issued a cease-and-desist order and fined mortgage broker Sign On The Line \$2,000 for failing to file its 2022 third-quarter mortgage call report.
- **West Capital Lending Inc., M-23-0017** – The division joined the state regulators of Hawaii, Idaho, and Texas to issue an enforcement order against West Capital Lending Inc. for violations related to unlicensed mortgage broker and unlicensed mortgage loan originator activity. The prohibited conduct involved hundreds of loans. The order imposed a \$464,417.50 total fine against West Capital Lending, all but \$100,000 of which will be suspended. Oregon received \$33,066.69 of the \$100,000 unsuspended fine.
- **Nichole Therese Kenny, M-14-0013** – The division issued an order removing conditions placed on Nichole Kenny's license in 2014 after it had found that Kenny engaged in lending solicitations over social media before she was licensed. The division did not identify any violations or other concerns regarding Kenny's mortgage business practices since 2014, thus warranting removal of the license conditions.



Nondepository



- **Left Coast Financial Solution Inc.,** [MT-22-0125](#) – The division issued a cease-and-desist order and suspended the money transmitter license of Left Coast Financial Solutions for failing to submit required audited financial statements, failing to notify the division of a change in control of the company, and failing to demonstrate that its net worth is adequate or that the company is solvent. Left Coast Financial Solutions agreed to the order of suspension, which shall remain in place until it satisfies all applicable licensing requirements and undergoes a satisfactory examination to be conducted by the division.
- **Consumer Law Group LLC,** [DM-22-0107](#) – The division issued a cease-and-desist order and fined Consumer Law Group \$91,000 for performing unregistered debt management services for 37 Oregon consumers, and charging them excessive fees. Consumer Law Group purports to be a debt validation and settlement company, and was charging consumers a total fee of 33 percent of the debts that Consumer Law Group agreed to settle on the consumers' behalf. As a result of the division's investigation and enforcement action, Consumer Law Group agreed to pay over \$82,000 in restitution to its Oregon clients within six months of the date of the division's order.
- **Centralized Management Services,** [DM-22-0089](#) – The division issued a cease-and-desist and fined Centralized Management Services \$20,000 for engaging in unregistered debt management services, for failing to perform the budget analysis required under the Oregon Debt Management Service Provider Law, and for charging excessive fees. Centralized Management Services represented to an Oregon consumer that it had settled certain credit card debts on her behalf, but the consumer found out when she tried to purchase a home that the debts were still listed on her credit report and had been sent to collections.
- **Dolliemac LLC, dba Elite Document Management Solutions,** [DM-21-0063](#) – The division issued a cease-and-desist order and fined Elite Document Management Solutions \$10,000 for performing an unregistered debt management service for an Oregon consumer and charging excessive fees. Elite Document Management Solutions purports to offer "Financial Rehabilitation Services" to consumers, including debt validation, debt disputing, and credit monitoring.
- **Kashable LLC,** [CF-22-0048](#) – The division issued a cease-and-desist order and fined Kashable \$8,000 for engaging in unlicensed consumer finance activities. Between March of 2017 and June of 2020, Kashable made 77 consumer finance loans and collected principal and interest from Oregon consumers without holding an Oregon Consumer Finance License. Kashable makes consumer loans to employees of certain companies and organizations as a voluntary employee benefit. Kashable obtained an Oregon Consumer Finance License in June of 2020, and the division discovered the unlicensed activity through an examination of the company.
- **20 Twenty Sustainable Manufacturing Inc.,** [MSD-22-0128](#) – The division issued a cease-and-desist order against 20 Twenty Sustainable Manufacturing for selling two manufactured structures in Oregon after its Manufactured Structures Dealers License had expired. In addition to the cease-and-desist, the division fined 20 Twenty Sustainable Manufacturing \$4,000.
- **Gershfeld Law Group PC,** [DM-22-0025](#) – The division issued a cease-and-desist order and fined Gershfeld Law Group \$45,000 for performing unregistered debt management services in Oregon, failing to obtain a surety bond, and charging excessive fees. The fine will be waived in full if the company pays almost \$34,000 in restitution to Oregon consumers within the timeframe required in the order.

Securities

- **David Douglas Swanson Sr., Swanson Financial Services Inc., and SF Commercial LLC, S-20-0033** – The division issued a cease-and-desist order and revoked the investment adviser representative, insurance producer, and insurance consultant licenses of David Douglas Swanson Sr., for violations of the Oregon Securities Law and the Insurance Code. The order also revoked the state investment adviser license of Swanson’s company, Swanson Financial Services Inc. The order imposes a permanent industry bar against Swanson. Swanson, while licensed as an investment adviser representative, borrowed funds totaling more than \$1.5 million from five clients of Swanson and Swanson Financial. Swanson offered and sold promissory notes to the clients, who ranged in age from 64 to 77 years old, promising to use the funds to purchase an office building for Swanson’s company, SF Commercial. Swanson failed to disclose to the clients important information about their investments in the promissory notes, including the existence of two senior liens on the subject property that totaled more than \$2.5 million. Some of the clients purchased the promissory notes from Swanson because they had seen Swanson featured and interviewed on a local morning television program. In addition to the cease-and-desist, revocation of licenses, and the permanent industry bar, the division fined Swanson and his companies \$160,000. The division issued a press release regarding the Swanson case, which can be found here.
- **Nexo Capital Inc., S-23-0003** – The division issued a cease-and-desist order and fined Nexo Capital Inc. \$425,528.30 for offering and selling unregistered securities in Oregon. Nexo offered and sold interest-bearing digital asset deposit accounts called earn interest product accounts to more than 1,400 Oregon residents, who invested more than \$11 million. Nexo promoted its accounts with promises of high returns for investors; however, Nexo made representations that mischaracterized the regulatory compliance of the company and its financial condition. Nexo took control of and pooled investors’ loaned digital assets and exercised sole discretion over how to use the digital assets to generate a return and pay investors their promised interest. The division ordered Nexo to stop offering or selling interest accounts or any security that is not registered, qualified, or exempt to new investors in Oregon, and to stop accepting further investments or funds in the existing accounts held by Oregon investors. The division’s order stems from a multi-jurisdiction settlement of \$25 million that followed investigations of Nexo by the U.S. Securities and Exchange Commission and a multistate investigation coordinated by the North American Securities Administrators Association. The division issued a press release regarding the Nexo case, which can be found here.
- **Bunsunad LLC, S-22-0129** – The division issued a cease-and-desist order and reinstated \$43,000 in fines against Bunsunad LLC after Bunsunad failed to pay restitution assessed against it in a previous administrative action. See [S-20-0031](#). The previous order fined Bunsunad \$45,000 for serving as an intermediary in a securities fraud case in which an elderly Oregon consumer was persuaded to invest \$126,000 in a purported mining operation in Turkey. The division suspended \$43,000 of the fine on the condition that Bunsunad pay \$30,000 in restitution to the victim in that case. After making a partial payment of the restitution amount, Bunsunad failed to make subsequent scheduled payments and ceased responding to communications from the division.
- **Martin L. Hudler, S-23-0013** – The division issued an order reinstating \$80,000 in civil penalties that were suspended in a previous enforcement action for violations of the Oregon Securities Law. See [S-18-0049](#). Hudler failed to pay nonsuspended penalties totaling \$40,000 as required under the terms of the Consent Order resolving the previous enforcement action, thereby resulting in the full \$80,000 suspended civil penalty being due and owing.

