

Summer 2020

Taking Action



DCBS

Consumer and
Business Services



To protect consumers and promote a healthy business climate

Insurance



- **PacificSource Health Plans, [INS-20-0097](#)** – The division issued a cease-and-desist order and fined PacificSource Health Plans \$135,000 for a number of violations of the Oregon insurance code. From July 2017 to March 2018, on nine occasions, PacificSource failed to timely notify the division after receiving a request for external review of an adverse benefit determination. Also, from March 2017 through December 2018, PacificSource received 727 appeals of adverse benefit determinations from enrollees and failed to timely provide an acknowledgement on 377 occasions, failed to timely make a decision on 206 occasions, and failed to timely notify the enrollee in writing about the decision on 120 occasions. Finally, from March 2017 to December 2018, PacificSource received 2,831 appeals of adverse benefit determinations from providers and failed to timely provide an acknowledgement on 2,031 occasions, failed to timely make a decision on 939 occasions, and failed to timely notify the provider in writing about the decision on 747 occasions.
- **Standard Security Life Insurance Company of New York, [INS-19-0058](#)** – The division issued a cease-and-desist order and fined Standard Security Life Insurance Company \$50,000 for issuing short-term health insurance policies that were in effect for periods longer than three months. The Oregon insurance code limits short-term health insurance policies to a maximum of three months, including renewals, and new policies cannot be issued within 60 days of expiration. Standard Security issued consecutive policies without waiting the required 60 days between policies.
- **USAA Casualty Insurance Company, [INS-20-0047](#)** – The division issued a cease-and-desist order and fined USAA Casualty Insurance Company \$50,000 for mailing 53,393 total-loss notifications to Oregon consumers between January 2010 and February 2020 that lacked four statements required under the Oregon insurance code.
- **American National Property and Casualty Company, [INS-20-0032](#)** – The division issued a cease-and-desist order and fined American National Property and Casualty Company \$40,000. From January 2017 to July 2019, American National violated the Oregon insurance code in 603 instances by failing to pay all applicable taxes, license fees, and other fees after a total vehicle loss, and, in 482 instances, by failing to provide a copy of the total-loss notification form to consumers.
- **Root Insurance Company, [INS-20-0054](#)** – The division issued a cease-and-desist order and fined Root Insurance Company \$10,000 for violating an emergency order issued by the division relating to the COVID-19 pandemic. From March to May 2020, Root sent 100 nonrenewal notices in violation of the director’s March 2020 emergency order, which required insurers to suspend all cancellations and nonrenewals for all active insurance policies until the emergency order is no longer in effect.
- **Stephen Todd Pentrack, [INS-20-0029](#)** – The division issued a cease-and-desist order and suspended the resident insurance producer license of Stephen Todd Pentrack for providing a client a urine sample to use in a medical examination that was part of a life insurance application, backdating insurance coverage on the client’s vehicle after the client was involved in an accident, and reducing the client’s comprehensive coverage deductible after the client’s windshield was cracked. The division also fined Pentrack \$3,000 for these violations.

- **Amir Farrokh Tajalli and Tajalli Co., dba SOS Insurance Services, [INS-20-0004](#)** – The division issued a cease-and-desist order and allowed Tajalli to voluntarily surrender his license in lieu of revocation for misappropriating a premium and charging an unpermitted service fee. The division also fined Tajalli \$3,000 for these violations.
- **Adam J. Brooks, [INS-20-0059](#)** – The division issued a cease-and-desist order and fined Adam Brooks \$2,000 for using a misleading marketing strategy in the sale of equity indexed universal life insurance policies. The order prohibits Brooks from using his “Clear Shield” marketing terminology in future insurance transactions, and required Brooks to return commissions earned on the sale of a “Clear Shield” product.
- **Thomas Flowers, [INS-20-0005](#)** – The division issued a cease-and-desist order, denied the license renewal application of Thomas Flowers, and revoked his nonresident insurance producer license. Flowers failed to inform the division that California revoked his nonresident insurance producer license and Georgia placed him on probation due to his criminal record.
- **Bruno S. Simonetti, [INS-19-0121](#)** – The division issued a cease-and-desist order, denied Bruno Simonetti’s application to renew his nonresident insurance producer license, and revoked his existing nonresident insurance producer license. Simonetti requested a renewal for variable lines authority, though he was not previously licensed to sell variable lines and does not hold the required securities license to allow him to sell such products. Simonetti failed to respond to the division’s requests for information and provided inaccurate information on his license application.
- **Beauregard Valdes Ray, [INS-20-0027](#)** – The division issued a cease-and-desist order, denied the license renewal application of Beauregard Valdes Ray, and revoked his nonresident insurance producer license for failing to report three administrative actions taken by other states, two of which revoked Ray’s license. Ray further failed to respond to the division’s requests for information.
- **Indemnity National Insurance Company, [INS-20-0071](#)** – The division issued a cease-and-desist order and fined Indemnity National Insurance Company \$1,500 for failing to timely submit its Special Oregon Schedule P filing to the division. Workers’ compensation insurers are required to file a Special Oregon Schedule P by March 1 each year.
- **Owners Insurance Company, [INS-20-0067](#)** – The division issued a cease-and-desist order and fined Owners Insurance Company \$1,500 for failing to timely submit its Special Oregon Schedule P filing to the division by the March 1 deadline.
- **Auto-Owners Insurance Company, [INS-20-0065](#)** – The division issued a cease-and-desist order and fined Auto-Owners Insurance Company \$1,500 for failing to timely submit its Special Oregon Schedule P filing to the division by the March 1 deadline.
- **Guideone Specialty Mutual Insurance Company, [INS-20-0070](#)** – The division issued a cease-and-desist order and fined Guideone Specialty Mutual Insurance Company \$1,500 for failing to timely submit its Special Oregon Schedule P filing to the division by the March 1 deadline.

Securities

- **Raymond James Financial Services, Inc., S-19-0019** – The division issued a cease-and-desist order and fined Raymond James Financial Services \$120,000 for failing to supervise one of its salespeople. The division found that the salesperson engaged in excessive trading, made trades that were unsuitable for his clients, and failed to follow the firm’s policies. Raymond James is also required to pay more than \$120,000 in restitution to some clients of that salesperson, and to make changes to internal policies to better monitor the activities of its salespeople.
- **William C. Westrom, Jr., aka Bill Westrom, S-19-0144** – The division issued a cease-and-desist order and fined Westrom, a former Oregon resident insurance producer and mortgage loan originator, \$70,000 for selling unregistered securities without a securities license, engaging in fraud, and failing to respond to the division’s subpoena. The unregistered securities were mortgage investments offered by the Woodbridge Group of Companies and the various Woodbridge Mortgage Investment Funds. Woodbridge was the subject of a separate administrative order issued by the division in 2018. See [S-17-0129](#).
- **Roderick C. Hillian, S-19-0112** – The division issued a cease-and-desist order and fined Roderick Hillian \$20,000 for acting as an unlicensed agent or money mule by accepting funds into his personal bank account as part of an online cryptocurrency investment fraud. Hillian is also permanently barred from the securities industry and other financial services industries in Oregon, and was required to pay \$1,800 in restitution to the defrauded victim.



Mortgage and nondepository programs



- **Consumer Capital Advocates LLC, dba Consumer Credit Card Relief, [DM-20-0048](#)** – The division issued a cease-and-desist order and fined Consumer Capital Advocates \$100,000 for performing unregistered debt management services and charging excessive fees. As a result of the division’s investigation and enforcement action, Consumer Capital Advocates agreed to make full restitution of \$244,207.30 to its Oregon clients.
- **Consumer First Legal Network LLC, [DM-20-0037](#)** – The division issued a cease-and-desist order and fined Consumer First Legal Network \$37,000 for performing unregistered debt management services and charging excessive fees. As a result of the division’s investigation and enforcement action, Consumer First agreed to make full restitution of \$21,343.24 to its Oregon clients.
- **The Mediator Law Group, PC, [DM-19-0115](#)** The division issued a cease-and-desist order and fined The Mediator Law Group \$29,500 for performing unregistered debt management services. As a result of the division’s investigation and enforcement action, The Mediator Law Group, a law firm specializing in debt settlement and credit restoration, agreed to refund certain fees to some of its Oregon clients.
- **Document Service Center Inc. and Modification Solutions, [DM-19-0098](#)** – The division issued a cease-and-desist order and fined Document Service Center (also known as Modification Solutions) \$20,000 for performing unregistered debt management services and charging excessive fees. As a result of the division’s investigation and enforcement action, the company agreed to make full restitution of \$6,399 to its Oregon clients.
- **Oregon One Inc., [CA-20-0044](#)** – The division issued a cease-and-desist order and fined Oregon One \$25,000 for engaging in dishonest collection practices, including mailing deficient collection letters to 123 Oregon consumers. Oregon One is prohibited from engaging in future collection agency and debt buying activities in Oregon.
- **Lisa Marie McKendry, [M-20-0077](#)** – The division issued a cease-and-desist order against Lisa Marie McKendry, granting her a conditional mortgage loan originator license such that a future negative financial event, including a bankruptcy filing, unpaid judgment or lien, foreclosure, or three or more accounts past due, will result in revocation of McKendry’s license. McKendry previously held a conditional mortgage license with the division; that license expired in 2017.