

**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
INSURANCE DIVISION**

In the Matter of **Sharon E. Gardner.** ) **STIPULATION** and  
 ) **FINAL ORDER**  
 ) File No. 2333 IV  
 ) Case No. INS 02-01-026

**STIPULATION**

The Director of the Department of Consumer and Business Services (director), by and through the Insurance Division, commenced the above entitled administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take disciplinary action against Sharon E. Gardner (Gardner).

Gardner enters into this Stipulation to conclude this proceeding without further administrative or judicial proceedings, as provided by ORS 183.415(5) and related rules.

Gardner waives the right to receive a notice of proposed action, to receive a notice of rights and procedures in contested cases, to have a hearing, to be represented by an attorney at the hearing, and to judicial review of the Final Order. Gardner admits and agrees to the following facts, conclusions, and action.

**Facts and Conclusions**

Licensing

Gardner has been licensed in Oregon as a resident insurance agent since 12/10/98. Gardner's license number is 614447. Gardner's residence address is 825 SE Tenino Street, Portland, OR 97202-6537, and telephone number is 503-235-1538.

Use of a Fraudulent or Dishonest Practice in Insurance Transactions

Gardner violated ORS 744.013(2)(g) (1999) in five instances by engaging the following conduct:

1. Gardner caused or attempted to cause Assurance Company of America (ACA) to issue on or about 12/10/98 a commercial insurance policy, number SCP34172420, to be effective from 11/26/98 to 11/26/99. The policy was issued purportedly to a

business called “DSS Drywall, LLC” located at 825 SE Tenino Street, Portland, OR, 97202-6537. The policy purportedly provided, *inter alia*, commercial automobile liability insurance covering only a 1973 Ford Pickup. However, at all relevant times, Gardner knew that “DSS Drywall, LLC” did not exist, the address of the business was the same as Gardner’s, and the automobile was owned by Gardner. Gardner created the name of the business by combining the initials of the first names of her former husband, David Gardner; herself, Sharon E. Gardner; and her daughter, Sarah M. Gardner.

2. Gardner issued a certificate of insurance dated 3/1/99 to Reliable Credit Association, Inc. (RCA) misrepresenting that ACA had issued the policy referred to above, and that the policy provided automobile liability insurance to Gardner covering a 1994 Nissan Sentra.

3. Gardner issued a revised certificate of insurance dated 6/22/99 to RCA misrepresenting that ACA had issued the policy referred to above, and that the policy provided automobile liability and physical damage insurance to Gardner covering a 1994 Nissan Sentra.

4. Gardner caused ACA to issue on or about 9/4/99 another commercial insurance policy, number SCP35447086, to be effective from 8/27/99 to 8/27/00. The policy was issued purportedly to a business called “SS Drywall, LLC” located at PO Box 825, Portland, OR, 97207-825. The policy purportedly provided, *inter alia*, commercial automobile liability insurance covering a 1973 Ford Pickup and a 1990 Toyota Celica, both of which were garaged at 825 SE Tenino Street, Portland, OR, 97202-6537. However, at all relevant times, Gardner knew that “SS Drywall, LLC” did not exist, the address of where the automobiles were garaged was the same as Gardner’s, and the automobiles were owned by Gardner, or her daughter Sarah M. Gardner. Gardner created the name of the business by combining the initials of the first names of herself, Sharon E. Gardner; and her daughter, Sarah M. Gardner.

5. On 9/3/99, Sarah M. Gardner, Gardner’s daughter, rear-ended another automobile while driving a 1990 Toyota Celica. Both automobiles were damaged in the accident. Gardner knew this. Nevertheless, on 9/4/99, the day after the accident,

Gardner caused ACA to issue the policy referred to above, policy number SCP35447086, to be effective from 8/27/99 to 8/27/00 and to insure the 1990 Toyota Celica. On 9/13/99, Gardner completed an Automobile Loss Notice and sent or caused it to be sent to or on behalf of ACA. On 2/8/00, ACA paid \$3,475.40 to the driver of the other automobile for damages caused in the accident.

**Action**

The Oregon insurance agent license issued to Gardner shall be revoked on the date of the Final Order pursuant to ORS 744.013(1)(a) (1999). Gardner shall not transact insurance in Oregon, including servicing clients, on and after that date.

In consideration of the director not assessing Gardner a civil penalty of \$5,000 pursuant to ORS 731.988, Gardner agrees to the following. Gardner will not apply for any license in Oregon as an insurance agent, consultant or adjuster. Also, Gardner will not own, solely or in partnership with others; or to be an officer, director, employee of, or independent contractor for, any business organization licensed in Oregon as an insurance agent, consultant or adjuster.

Dated March 19, 2002

/s/ Sharon E. Gardner  
Sharon E. Gardner

**FINAL ORDER**

The director makes the following final decision in this proceeding in accordance with ORS 731.248 and 183.415(5) and related rules.

The director adopts, and incorporates herein by this reference, the Facts, Ultimate Facts, Conclusions, and Action in the above Stipulation as the Findings of Fact, Ultimate Findings of Fact, Conclusions of Law, and Order, respectively, of this order.

Dated March 25, 2002

/s/ Mary C. Neidig  
Mary C. Neidig  
Director  
Department of Consumer and Business Services