

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

In the Matter of **Alice L. Sanders.** ) **STIPULATION** and  
 ) **FINAL ORDER**  
 ) File No. 302127 IV  
 ) Case No. INS 02-01-028

**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 Alice L. Sanders (Sanders).

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

Sanders 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. Sanders admits and agrees to the following facts, conclusions, and action.

**Facts and Conclusions**

Licensing

Sanders has been licensed in Oregon as a resident insurance agent from 10/10/90 to 8/31/98 and since 10/27/98. Sanders' license number is 115797. Sanders' last recorded residence and business address is 980 Newmark, Coos Bay, OR 97420, and telephone number is 541-888-5445.

Misappropriation of Insurance Premiums

Sanders violated ORS 744.013(2)(d) (1999) by receiving, between 11/7/00 to 1/4/01, either directly or through other employees, from 25 persons a total of \$1,469.49 as payment for insurance provided by Financial Indemnity Company (FIC) but failing to pay the money to FIC when due. Sanders issued or caused to be issued checks to pay the money to FIC. The checks were drawn on Sander's

insurance premium trust account, number 55404101, at Security Bank in Coos Bay, Oregon. However, the checks were each dishonored twice because of insufficient funds. The name of insured, policy number, date payment was received, the amount received, the number and date of the trust account check that was issued but dishonored, relative to each transaction is as follows:

<u>Insured</u>	<u>Policy No.</u>	<u>Date Received</u>	<u>Amount Received</u>	<u>Check No.</u>	<u>Check Date</u>
Sabino Eduardo Bravo	5198148	11/7/00	\$81.00	7030	12/5/00
Rusty Stanfill	7536944	11/7/00	\$118.34	7031	12/5/00
Roman Heriberto	7536830	11/8/00	\$100.00	7041	12/5/00
David Garcia	7529956	11/9/00	\$53.34	7049	12/5/00
Kelly Moser	7527004	11/10/00	\$57.87	7054	12/5/00
Letha Smith	7528764	11/10/00	\$52.50	7059	12/5/00
Jodi Kimble	7529955	11/10/00	\$48.75	7060	12/5/00
Stephen Irwin	7520006	11/14/00	\$58.75	7063	12/5/00
Bernard Hall	7545548	11/14/00	\$40.25	7067	12/5/00
Christino Cruz	7535839	11/14/00	\$51.50	7069	12/5/00
Randy Rossback	7472409	11/15/00	\$38.67	7074	12/11/00
Renee Errichetto	7544355	11/21/00	\$46.75	7094	12/14/00
Helen Clement	7524941	11/21/00	\$26.45	7099	12/15/00
Jose Esparza	?	11/29/00	\$89.00	7318	12/8/00
Steve Emry	?	12/1/00	\$65.00	7322	12/13/00
Darcy Johnsgard	7464447	12/1/00	\$46.66	7179	12/20/00
Barbara Buhr	7544460	12/4/00	\$49.25	7201	12/11/00
Urmila Lakham	7479034	12/4/00	\$41.33	7204	12/20/00
Heriberto Roman	7536830	12/5/00	\$63.45	7213	12/11/00
Wanda Carbaugh	7465304	12/6/00	\$36.38	7219	12/28/00
Edward Wolf	7496601	12/8/00	\$32.00	7325	12/14/00
Gail Guzman	7550283?	12/8/00	\$41.25	7240	12/29/00
Penny Bustamantez	7467408	12/27/00	\$48.00	7558	12/27/00
Kelly Gaston	7564653	1/2/01	\$86.00	7549	1/2/01
Steve Anderson	5201299	1/4/01	<u>\$97.00</u>	7544	1/18/01
		Total	\$1,469.49		

### Failing to Maintain Insurance Premiums in Trust Account

Sanders violated *former* ORS 744.225 (1999), *renumbered* as ORS 744.083 (2001), by receiving the above premiums, and depositing them into Sanders' insurance premium trust account, number 55404101, at Security Bank in Coos Bay, Oregon, but failing to keep the premiums in the account until paid to FIC.

### **Action**

The Oregon insurance agent license issued to Sanders shall be revoked on 4/1/02 pursuant to ORS 744.013(1)(a) (1999). Sanders shall not transact insurance in

Oregon, including accepting any payments for insurance or servicing clients, on and after that date.

In consideration of the director not revoking Sanders' license before 4/1/02, Sanders agrees to accept a payment for insurance only in the form of a check or money order made payable to the insurer providing the insurance, or to an agent authorized by the insurer to receive such payment, send by mail the payment to the insurer or authorized agent by the end of the next business day, and keep a record of the date Sanders received and sent each payment, who Sanders received the payment from and who Sanders sent the payment to.

In consideration of the director not assessing Sanders a civil penalty of \$5,000 pursuant to ORS 731.988, Sanders agrees to the following. Sanders will not apply for any license in Oregon as an insurance agent, consultant or adjuster. Also, Sanders will not own, solely or in partnership with others; or 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/ Alice L. Sanders  
Alice L. Sanders

### **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