

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

In the Matter of **Clayton J. Toedtemeier Jr** and.        ) **FINAL ORDER**  
**Clayton J. Toedtemeier Jr. dba Clay & Associates** ) Case No. INS 02-01-029

The Director of the Oregon 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 Clayton J. Toedtemeier Jr. (Toedtemeier), and Clayton J. Toedtemeier Jr. dba Clay & Associates (Clay & Associates).

On February 5, 2002, the director issued a Notice of Proposed Action (Notice), pursuant to ORS 183.415 and Oregon Administrative Rules (OAR) 137-003-505, proposing to revoke the parties' Oregon insurance agent licenses pursuant to ORS 744.013(1)(a). The Notice informed the parties that the parties had a right to a hearing and to be represented by an attorney at the hearing. The Notice also informed the parties that if the director issued a Final Order by default, then the director designated a portion of the Insurance Division's investigation file in this matter as part of the record for the purpose of proving a prima facie case upon default.

The director did not receive from or on behalf of the parties any request for a hearing. The director determined that the designated portion of the Insurance Division's investigation file in this matter proved a prima facie case and no hearing was necessary. Consequently, the director did not hold any hearing in this matter.

Therefore, the director makes the following final decision in this proceeding in accordance with ORS 731.248 and 183.470, and related rules.

**Findings of Fact and Conclusions of Law**

Licensing

Toedtemeier has been licensed in Oregon as a resident insurance agent since 2/19/86. Toedtemeier's current license number is 103738. Toedtemeier's last

recorded residence address is 7658 SW 189th Aloha, OR 97007-7606, and telephone number is 503-484-7602. Toedtemeier's last recorded business street address is 7658 SW 189th Aloha, OR 97007-7606, business mailing address is PO Box 25341, Portland, OR 97298-0341, and telephone number is 503-848-7602.

Clay & Associates was licensed in Oregon as a resident firm or corporate insurance agent from 2/23/93 to 2/28/00. Clay & Associates' license number is 805708. Clay & Associates is an Oregon sole proprietorship. Toedtemeier is the owner of and was an individual licensee affiliated with Clay & Associates. Clay & Associates' last recorded business street and mailing address is 8885 SW Canyon Road Suite 119, Portland, OR 97225 and telephone number is 503-292-5343.

#### Criminal Conviction

Toedtemeier is subject to disciplinary action pursuant to ORS 744.013(2)(e) (1999) because Toedtemeier was convicted on 8/3/01 by the Circuit Court of the State of Oregon for the County of Yamhill, in the case *State of Oregon v. Clayton Julius Toedtemeier*, Case Number CR00-291, of the crime of racketeering, a class A felony, ORS 166.720. Toedtemeier committed the crime by engaging in the following conduct. From 1/1/97 to 12/31/99, Toedtemeier, while employed by and associated with Thomas Regan, Asset Solutions, Inc., Clay and Associates, and R&D Marketing, in a total 82 transactions involving 13 persons residing in Oregon, sold 28 unregistered securities in violation of ORS 59.055 in 28 instances, sold such securities as a broker-dealer or salesman while not licensed in Oregon as either a broker-dealer or salesman in violation of ORS 59.165(1) in 28 instances, and in the course of selling 26 of the 28 such securities engaged in various unspecified acts that did or would operate as a fraud and deceit upon the purchasers of such securities in violation of ORS 59.135(3) in 26 instances. Toedtemeier was sentenced to 24 months in prison, placed on post-prison supervision for 36 months, and ordered to repay a total of \$877,343.38 to 12 people.

#### Fraudulent Activities Not Related to Insurance

Toedtemeier is subject to disciplinary action pursuant to ORS 744.012(2)(o) (1999) by engaging in the above described criminal conduct.

Agency Subject to Administrative Action Due to Violations by Principle

Clay & Associates is subject to disciplinary action pursuant to ORS 744.013(3) (1999) because Toedtemeier violated the laws specified above and Toedtemeier was the owner and a licensed agent affiliated with Clay & Associates.

**Order**

The parties' Oregon insurance agent licenses shall be revoked on the date of this order pursuant to ORS 744.013(1)(a).

**Notice of Judicial Review**

Pursuant to ORS 183.480 and 183.482, the parties may request the Oregon Court of Appeals to review this order by filing a written petition for judicial review with the court within 60 calendar days after the date this order was sent to the parties.

Dated March 5, 2002

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

//  
//  
//