

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

In the Matter of **Scottish Rite Foundation,** ) **STIPULATION** and  
**Southern Jurisdiction, U.S.A., Inc.** ) **FINAL ORDER**  
 ) Case No. INS 04-05-005

**STIPULATION**

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Scottish Rite Foundation, Southern Jurisdiction, U.S.A., Inc. (SRF).

SRF enters into this stipulation, pursuant to ORS 183.415(5), to conclude this proceeding without further administrative or judicial proceedings.

SRF waives the right to receive a notice of proposed action, receive a notice of the rights of a party and procedures in contested cases, have a hearing, be represented by an attorney at the hearing, receive a proposed order, file exceptions to the proposed order, and have the final order judicially reviewed.

SRF stipulates to the following facts, conclusions, and action; and consents to the issuance of a final order incorporating this stipulation.

**Facts and Conclusions**

Licensing Information

SRF has never been licensed in Oregon as an educational institution or nonprofit corporation authorized to issue charitable gift annuities. SRF's last known principal business street address is located in Washington D.C.

Issued Charitable Gift Annuities in Oregon Without a License

SRF violated ORS 731.704(1) in three instances by engaging in the following conduct. At all relevant times, SRF was not licensed in Oregon as an educational institution or nonprofit corporation authorized to issue charitable gift annuities. From 6/9/00 to 12/18/03, SRF received transfers of money or property from three donors who reside in Oregon, and issued three gift annuities to such donors. SRF

received a total of \$100,000. The date of the annuity, the number of the annuity, the name of the donor, and the amount given by the donor, in each instance is as follows:

<u>Date</u>	<u>Number</u>	<u>Donor</u>	<u>Amount</u>
6/9/00	00-102	Harold L. Walker	\$50,000.00
12/21/01	01-107	Gerald Bayless	\$25,000.00
12/18/03	03-110	Gerald Bayless	<u>\$25,000.00</u>
Total			\$100,000.00

### **Action**

Pursuant to ORS 731.988, SRF is assessed a civil penalty of \$1,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE, Room 440 (4<sup>th</sup> Floor), Salem, Oregon; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment is due on, and shall be received by the Insurance Division by, the date of the final order.

Dated May 10, 2004

/s/ Ronald A. Seale  
Ronald A. Seale  
President  
Scottish Rite Foundation,  
Southern Jurisdiction, U.S.A., Inc.

### **FINAL ORDER**

The director incorporates herein the above stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated May 26, 2004

/s/ Cory Streisinger  
Cory Streisinger  
Director  
Department of Consumer and Business Services

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