

Violations

Fruciano acknowledges that on his application for a license as an Oregon nonresident insurance agent dated June 9, 2000 and received by the Oregon Insurance Division on July 14, 2000 he failed to disclose that the Colorado Insurance Division refused to issue to him a Colorado resident insurance agent license in 1996. Fruciano acknowledges that the Colorado Insurance Division denied his application in 1996 because he failed to disclose on his Colorado application that the California Insurance Commissioner had denied his application for licensure in 1994. Fruciano acknowledges that his failure to make the required disclosure to the Oregon Insurance Division on his 2000 application is a violation of ORS 744.074(1)(a) because the application was incorrect and incomplete.

Fruciano acknowledges that on October 9, 2002 the Insurance Commissioner of the State of Colorado issued an order, number O-03-071 assessing Fruciano a civil penalty of \$3,000. A copy of the Colorado Division of Insurance Final Agency Order issued in that case and a copy of the Colorado Division of Insurance Stipulation For Entry of Final Agency Order dated September 9, 2002 upon which the Final Agency Order was predicated are attached hereto and incorporated herein by reference. Fruciano further acknowledges that he failed to report this enforcement action to the Oregon Insurance Division as required by ORS 744.089(1) and that he violated that statute.

Action

Pursuant to ORS 731.988, Fruciano is assessed a civil penalty of \$3,000. This penalty is based on the violations noted above and is also based on the fact (1) that Fruciano was convicted of a felony in 1991 in California; (2) that in 1994 he failed to disclose this conviction to the California Insurance Department on an application for an insurance agent license, resulting in the revocation of that license; (3) that in 1996 he failed to disclose the 1994 California administrative action to the Colorado Division of Insurance on an application for an insurance agent license, resulting in Colorado denying his application; (3) that in 1999 on an application filed with the California Department of Insurance he failed to disclose the 1994 California

administrative action and the 1996 Colorado Division of Insurance administrative action, resulting in the California Department of Insurance granting him a restricted license subject to his obeying the laws and regulations of California, the United States and every state and foreign government having jurisdiction over him.

The payment of the \$3,000 civil penalty shall be made in the form of an official bank 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 350 Winter Street NE, Room 440, Salem, OR 97301-3883, or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405 and shall be received by the Insurance Division no later than thirty (30) days from the date the final order is signed by the director.

Fruciano shall comply with all applicable provisions of the Oregon Insurance Code, Oregon Revised Statutes (ORS) Chapters 731 to 750, including but not limited to ORS 744.089(1). If Fruciano fails to comply with any such provisions, then the director may take enforcement action against Fruciano, including revocation of his Oregon nonresident insurance agent license.

Dated February 5, 2004

/s/ Michael J. Fruciano
Michael J. Fruciano

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 February 26, 2004

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

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