

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

In the Matter of **Lester W. Eckert** and) **FINAL ORDER**
Aberdeen Insurance Services, Inc.) Case No. INS 04-01-022

History of the Proceeding

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 Lester W. Eckert (Eckert) and Aberdeen Insurance Services, Inc. (AIS).

On 4/22/04, the director issued to the parties a notice of proposed action, pursuant to ORS 183.415 and Oregon Administrative Rules (OAR) 137-003-0505. The notice informed the party that they were entitled to a hearing, and if they did not timely request a hearing then the record of the proceeding, including the designated portion of the Insurance Division's file of the investigation of the party, would automatically become part of the contested case record for purposes of proving a *prima facie* case.

The director did not receive any request for a hearing.

The director did not hold a hearing because the director determined that the record of the proceeding proved a *prima facie* case and no further evidence was needed.

Therefore, the director now 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

Eckert has been licensed in Oregon as a nonresident insurance agent since 10/14/93. Eckert's current license number is 126983. Eckert's last recorded residence address and business addresses are located in Houston, Texas.

AIS has been licensed in Oregon as a nonresident insurance agent from 10/14/93 to 10/31/00 and since 11/24/00. AIS' current license number is 806785. AIS' last recorded business address is located in Houston, Texas.

Agent Not Licensed in Resident State

Eckert and AIS are each subject to enforcement action pursuant to ORS 744.063(1)(a) in one instance because of the following circumstances. ORS 744.063(1)(a) requires a person licensed in Oregon as a nonresident insurance agent to also be licensed and in good standing in the person's state of residence as a resident insurance producer. At all relevant times, Eckert and AIS were residents of Texas. On 8/14/03, the insurance regulator for the State of Texas issued an order, order number 03-0755, docket number 454-01-1985.C, revoking Eckert's and AIS' Texas resident insurance agent licenses. The insurance regulator took the action because Eckert and AIS misappropriated and illegally withheld insurance premium from insurers and insureds, and engaged in fraudulent and dishonest acts. Therefore, Eckert and AIS have not qualified for an Oregon nonresident insurance agent license since 8/14/03.

Enforcement Action by Other State Insurance Regulator

Eckert and AIS each are subject to enforcement action pursuant to ORS 744.074(1)(i) in one instance because of the following circumstances. ORS 744.074(1)(i) permits the director to take any authorized enforcement action against a person licensed in Oregon as an insurance agent if another state insurance regulator cancels, revokes, suspends, refuses to issue or refuses to renew the person's license in that state as an insurance agent, adjuster or consultant. On 8/14/03, the insurance regulator for the State of Texas issued an order, order number 03-0755, docket number 454-01-1985.C, revoking Eckert's and AIS' Texas resident insurance agent licenses as described above.

Failed to Report Enforcement Action by Other State Insurance Regulator

Eckert and AIS each violated ORS 744.089(1) in one instance by engaging in the following conduct. ORS 744.089(1) requires a person licensed in Oregon as an insurance agent to notify the Insurance Division of any administrative action taken

against the person, and provide a copy of the order, within 30 days of the final disposition of the action. On 8/14/03, the insurance regulator for the State of Texas issued an order, order number 03-0755, docket number 454-01-1985.C, revoking Eckert's and AIS' Texas resident insurance agent licenses as described above. The action was finally disposed of on 8/14/03. Thus, Eckert and AIS were required to notify the Insurance Division of the action, and provide a copy of the order, by 9/15/03. Eckert and AIS have not notified the Insurance Division of the action or provided a copy of the order.

Order

Pursuant to ORS 744.074(1), the Oregon nonresident insurance agent licenses issued to Eckert and AIS are revoked on the date of this order.

Notice of Right to Judicial Review

Each party may have the right to appeal the order to the Oregon Court of Appeals pursuant to ORS 183.480 and 183.482. If a party wants to appeal the order, the party must file a petition for judicial review with the Court of Appeals within 60 days from the date this order was served on the party. If the order was personally delivered to a party, then the date of service is the day the party received the order. If the order was mailed to a party, then the date of service is the day the order was mailed to the party, not the day the party received the order. If a party does not file a petition within the 60-day time period, then the party will lose the right to appeal this order. If a party appeals the order, the party should also send a copy of the petition to the Insurance Division.

Dated June 25, 2004

/s/ Joel Ario
Joel Ario
Administrator
Insurance Division
Department of Consumer and Business Services

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