

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

In the Matter of **John A. Williams**

) **FINAL ORDER**

) Case No. INS 04-06-014

**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 John A. Williams (Williams).

On 7/30/04, the director notified the party that they were entitled to a hearing pursuant to ORS 183.415.

The director did not receive a request for a hearing, and 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.

**Findings of Fact and Conclusions of Law**

Licensing Information

Williams has been licensed in Oregon as a resident insurance agent since 9/12/87.

Convicted of Felony Involving Dishonesty or Breach of Trust

Williams is subject to enforcement action pursuant to ORS 731.428(4) in one instance because of the following circumstances. ORS 731.428(4) requires the director to revoke, suspend, or refuse to renew, the Oregon insurance agent license issued to a person that has been convicted of a felony involving dishonesty or a breach of trust as defined in Oregon Administrative Rules (OAR) 836-071-0323(7) or of a crime pursuant to 18 U.S.C. §1033, unless the person applies for and the director gives written consent for the person to engage in the business of insurance pursuant to ORS 731.428 and OAR 836-071-0323 *et seq.* From December 1998 to September 1999, Williams intentionally devised and implemented a scheme to

defraud Loyd E. Stubbs (Stubbs) of Brownsville, Oregon, an elderly person, of about \$414,000. Williams carried out the scheme by (1) causing Stubbs to buy and then terminate several life insurance annuities totaling about \$414,000, (2) causing Stubbs to sign a power of attorney authorizing Williams to engage in financial transactions for the “health, education, support, maintenance and general welfare” of Stubbs, (3) without the knowledge of Stubbs, using the power of attorney to rent a private mail box to have the bank mail all correspondence and account statements to, (4) without the knowledge of Stubbs, using the power of attorney to open a joint bank account in the name of Stubbs and Williams, (5) causing Stubbs to deposit the proceeds of the annuities into the bank account, (6) without the knowledge of Stubbs, withdrawing the money from the bank account in at least seven transactions from 7/23/99 to 8/27/99, and (7) spending all or almost all of the money for Williams’ personal use. In implementing this scheme, Williams knowingly used and caused to be used the mail and interstate wire facilities. On 4/15/04, Williams was convicted, based on a jury verdict of guilty, by the United States District Court for the District of Oregon, in the criminal case entitled *United States of America vs. John Anthony Williams*, number CR 03-60104-HO, of four counts of the crime of wire fraud pursuant to 18 U.S.C. §§2, 1343, and 1346; three counts of the crime of mail fraud pursuant to 18 U.S.C. §§2, 1341, and 1346; three counts of the crime of money laundering pursuant to 18 U.S.C. §§2 and 1356(a)(1)(B)(i); and one count of foreign transportation of stolen money pursuant to 18 U.S.C. §§2 and 2314, all of which are felonies. Each crime is a felony involving dishonesty as defined by OAR 836-071-0323(7)(a). The director has not received from Williams an application for written consent to engage in the business of insurance and does not intend to issue any such consent.

### **Order**

Pursuant to ORS 744.074(1), Williams’ Oregon resident insurance agent license is revoked on the date of this order.

Pursuant to ORS 731.988, Williams is assessed a civil penalty of \$7,000. 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. Pursuant to ORS 183.090(2), the payment is due on, and shall be received by the Insurance Division by, the 71<sup>st</sup> calendar day after the date of this order, unless the party timely appeals the order.

**Notice of Right to Judicial Review**

The 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 for judicial review 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 October 6, 2004

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

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