

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

In the Matter of **Alan S. Liebenthal**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 05-04-003

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 Alan S. Liebenthal (Liebenthal).

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

Liebenthal waives all rights relative to an administrative hearing and judicial review thereof.

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

Facts and Conclusions

Licensing Information

Liebenthal has been licensed in Oregon as a resident insurance producer since 11/25/1987. Liebenthal's last recorded residence and business addresses are located in Portland, Oregon.

Used a Fraudulent, Coercive, or Dishonest Practice in Business

Liebenthal violated ORS 744.074(1)(h) in 65 instances by engaging in the following conduct. ORS 744.074(1)(h) prohibits a person licensed in Oregon as an insurance producer from using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

At all relevant times, Liebenthal was appointed as an agent by Forethought Life Insurance Company (Forethought). Liebenthal was authorized to solicit and receive applications, and premium payments, for insurance provided or to be provided by Forethought. From 4/15/04 to 9/28/04, Liebenthal completed and sent to Forethought 71 applications for insurance. However, 65 of the applications were from persons who did not exist, or who existed but did not apply for the insurance, and contained false names, addresses, dates of birth, social security numbers, and telephone numbers. Liebenthal also sent to Forethought a total of \$8,875.86 as initial premium. However, \$8,534.93 of the money was paid by Liebenthal from his own funds and in the form of

checks drawn on Liebenthal's personal checking account or money orders purchased by Liebenthal. Subsequently, Liebenthal sent to Forethought an additional \$2,861.30 in premium for 16 of the 65 policies, which was also paid by Liebenthal and in the form of money orders. Liebenthal engaged in the foregoing to cause Forethought to issue the policies applied for and pay a commission to Liebenthal, which Forethought did.

Withheld Moneys or Property

Liebenthal violated ORS 744.074(1)(d) in 71 instances by engaging in the following conduct. ORS 744.074(1)(d) prohibits a person licensed in Oregon as an insurance producer from improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business. As an agent of Forethought, Liebenthal was obligated to reimburse Forethought all of the commission paid to him by Forethought for each policy that terminated within one year of being issued. As indicated above, from 4/15/04 to 9/28/04, Liebenthal completed and sent to Forethought 71 applications for insurance. As a result, Forethought issued the policies applied for and paid Liebenthal a total of \$122,041.69 in commission for selling the policies. However, all of the policies terminated within one year of being issued. Thus, Liebenthal was obligated to reimburse Forethought all of the commission. However, Liebenthal has not reimbursed Forethought any of the commission.

Action

Pursuant to ORS 744.074(1), Liebenthal's Oregon resident insurance producer license is revoked on the date of the final order.

Dated April 11, 2005

/s/ Alan S. Liebenthal
Alan S. Liebenthal

FINAL ORDER

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

Dated April 18, 2005

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