

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

In the Matter of **Gary A. Wyche** and ) **STIPULATION** and  
**Oregon Country Associates, Inc.** ) **FINAL ORDER**  
 ) Case No. INS 05-06-014

**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 Gary A. Wyche (Wyche) and Oregon Country Associates, Inc. (OCA).

Wyche and OCA enter into this stipulation pursuant to ORS 183.415(5).

Wyche and OCA waive all rights relative to an administrative hearing and judicial review thereof.

Wyche and OCA stipulate to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

**Facts and Conclusions**

Licensing Information

Wyche has been licensed in Oregon as a resident individual insurance producer from 8/25/87 to 4/30/91 and since 6/3/91. Wyche's last recorded residence and business addresses are located in Clackamas, Oregon.

OCA has been licensed in Oregon as a resident business entity insurance producer since 2/17/87. OCA's last recorded business address is located in Clackamas, Oregon. Wyche is the president of OCA.

Failed to Deposit Insurance Premium into Trust Account

Wyche violated ORS 744.083(1) in one instance each by engaging in the following conduct. ORS 744.083(1) requires a person that is licensed in Oregon as an insurance producer to deposit into an insurance premium trust account all premium received by the insurance producer, unless permitted otherwise, and keep the premium therein until paid to the person entitled thereto. On or about 9/8/03,

Wyche, received from Norman G. Rindal (Rindal) of Portland, Oregon, \$40,000 as payment of the insurance premium for a single premium deferred annuity, called a RetireMax Millennium Plus 2, to be provided by Life Insurance Company of the Southwest (LSW). On or about 9/9/03, Wyche deposited the premium in to an Oregon Country Associates, Inc. (OCA) account, number [omitted], at Wells Fargo Bank. This account was not an insurance premium trust account.

Used a Fraudulent, Coercive, or Dishonest Practice in Business

Wyche violated ORS 744.074(1)(h) in one instance by engaging in the following conduct. ORS 744.074(1)(h) prohibits a person from using a fraudulent, coercive or dishonest practice, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in Oregon or elsewhere. Wyche gave Rindal the mistaken belief that Wyche had procured the LSW annuity by giving Rindal a "Client Summary" dated 1/29/04 listing the annuity with a policy number, indicating an account value of \$41,040 which was more than the initial payment about five months before, and containing a note that the annuity paid additions at a "Varied rate 7.75 to 8.00 and in jan. moved to 7.25 for next 12 mox." Although Rindal completed a different application to LSW for a single premium life insurance policy on or about 7/1/03, and Wyche had forwarded that application, to LSW, LSW declined that application on 7/17/03. Rindal partially completed another application to LSW for the annuity in September of 2003. The application for the annuity was not complete because it was not signed by Rindal and Wyche did not send it or any other annuity application to LSW. Therefore, LSW did not issue any annuity policy to Rindal. After Rindal's death in 2004, Wyche paid a settlement to Rindal's family of \$40,000 plus interest at 9%.

Made False Statement to the Director

Wyche violated ORS 731.260 in one instance by engaging in the following conduct. ORS 731.260 prohibits a person from filing with the Insurance Division any information that the person knows that the information is false or misleading. Wyche filed a misleading statement with the Insurance Division. A representative

of the Insurance Division asked Wyche in a letter dated 12/15/04 to provide a copy of the annuity application from Rindal to LSW for which Wyche received the \$40,000 from Rindal. In his statement dated 1/20/05, Wyche answered that "No application was taken." A copy of a partially completed but unsigned application from Rindal to LSW for an annuity, along with a marketing brochure for the RetireMax Millennium Plus 2 annuity, was found by John May among Rindal's personal documents after Rindal died on 7/21/04.

#### Enforcement Action Against Agency for Acts of Producer

OCA is subject to enforcement action pursuant to ORS 744.074(3) because of the following circumstances. ORS 744.074(3) subjects a business entity to enforcement action when the director determines that an individual licensed in Oregon as an insurance producer violated a provision of the Insurance Code or related rules and the individual's violation was known or should have been known by one or more of the partners, officers, or managers, acting on behalf of the business entity but they did not report the violation to the director or they did not take any corrective action. Wyche violated the laws specified above. Wyche, as an officer of OCA, knew or should have known of such violations. However, Wyche, as an officer of OCA, did not report such violations to the director and did not take any corrective action.

#### **Action**

Pursuant to ORS 744.074(1), Wyche's and OCA's Oregon resident insurance producer licenses are revoked on the date of the final order.

As consideration for the director not taking any other enforcement action against Wyche or OCA for the violations described above, or for investigating or taking any enforcement action against Wyche or OCA for any other violations that may have occurred prior to 6/1/05, Wyche and OCA agree to never apply for any license authorized by ORS Chapter 744; or have any equity interest in, be an officer or director of, or be employed by or contracted with, any person that is issued any license authorized by ORS Chapter 744.

Dated September 8, 2005      /s/ Gary A. Wyche  
Gary A. Wyche

Dated September 8, 2005      /s/ Gary A. Wyche  
Gary A. Wyche  
President  
Oregon Country Associates, 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 September 19, 2005      /s/ Joel Ario  
Joel Ario  
Administrator  
Insurance Division  
Department of Consumer and Business Services

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