

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

In the Matter of **Chao Ji Xu**

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 05-11-013

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 Chao Ji Xu (Xu).

Xu desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.415(5).

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

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

Facts and Conclusions

Licensing Information

Xu was licensed in Oregon as a resident individual insurance producer from 4/13/01 to 4/30/03 and from 9/9/03 to 9/30/05. Xu's license expired on 9/30/05. Xu's last recorded residence and business address is located in Portland, Oregon.

Misappropriated Moneys or Property

Xu violated ORS 744.074(1)(d) in two instances by engaging in the following conduct. ORS 744.074(1)(d) prohibits a person from improperly withholding, misappropriating, or converting, any moneys or properties received by the person in the course of doing insurance business. At all relevant times, Xu conducted insurance business under the assumed business name of Superior Insurance and Investment. In 2004, Xu received \$763.58 from Yuan Huang (Huang), and \$1,154.48 from Kwok Ng (Ng), both of which resided in Oregon, as payment for automobile insurance provided or to be provided by Safeco Insurance Company of

Oregon (Safeco). XU deposited the check into his insurance premium trust account. However, Xu did not forward the money to Safeco but instead used it for personal purposes. In the Huang transaction, Xu issued a check to Safeco but the check was returned to Safeco unpaid due to insufficient funds in the bank account. The check was drawn on Xu's business operating account and not from his insurance premium trust account. In the Ng transaction, Xu used another person's credit card to pay Safeco but the person said that they did not authorize Xu to use the credit card so the credit card company "charged back" Safeco for the payment. Safeco collected the amounts Xu owed to Safeco from commissions Safeco owed to Xu.

Action

Pursuant to ORS 744.074(1) and 744.011, Xu's expired Oregon resident insurance producer license is revoked on the date of the final order.

As consideration for the director not further investigating or taking other enforcement action in this proceeding, Xu agrees to never renew Xu's expired license, 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 November 29, 2005 /s/ Chao Ji Xu
Chao Ji Xu

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 December 5, 2005 /s/ Joel Ario
Joel Ario
Administrator
Insurance Division
Department of Consumer and Business Services