

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

In the Matter of **Paul J. Krupicka, Jr.**

) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 06-02-004

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 Paul J. Krupicka, Jr. (Krupicka).

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

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

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

Facts and Conclusions

Licensing Information

Krupicka has been licensed in Oregon as a resident individual insurance producer since 11/16/77. Krupicka's last recorded residence address is located in Oregon City, Oregon.

Used a Fraudulent, Coercive, or Dishonest Practice in Business and Demonstrated Incompetence, Untrustworthiness, or Financial Irresponsibility in Business

Krupicka violated ORS 744.074(1)(h) in seven instances 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.

Krupicka engaged in three dishonest acts by issuing the following binders and demonstrated incompetence or untrustworthiness in four instances by withholding

the following applications and checks from the insurer. From 12/22/04 to 6/30/05, Krupicka received from four persons residing in Oregon four applications, and two checks as payment of the premium, for property insurance to be provided by United Heritage Property and Casualty Company. Krupicka placed the applications and checks in his brief case but did not forward them on to the insurer or deposit the checks into a premium trust account. After Krupicka received the applications and checks, Krupicka issued three binders to lenders representing that the property described therein was insured. These representations were false and Krupicka knew that they were false because he had not done what was necessary to cause the insurance to become effective.

Action

Pursuant to ORS 744.074(1), Krupicka's 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 against Krupicka, Krupicka agrees 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 February 23, 2006

/s/ Paul J. Krupicka, Jr.
Paul J. Krupicka, Jr.

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 March 13, 2006

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