

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

In the Matter of **Robert J. Stearns**

) **STIPULATION** and  
) **FINAL ORDER**  
) Case No. INS 06-03-006

**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 Robert J. Stearns (Stearns).

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

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

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

**Facts and Conclusions**

Licensing Information

Stearns has been licensed in Oregon as a resident individual insurance producer since 4/1/04. Stearns' last recorded residence address is located in Fairfield, Connecticut.

Convicted of Crime

Stearns is subject to enforcement action pursuant to ORS 744.074(1)(f) because of the following circumstances. ORS 744.074(1)(f) subjects a person to enforcement action when the person is convicted of a misdemeanor involving dishonesty or breach of trust, a felony, or an offense punishable by death or imprisonment under the laws of the United States. On or about 1/6/05, Stearns was convicted, based on a plea of guilty, by the Supreme Court of the State of New York, County of New York, of one count of the crime of scheme to defraud in the first degree, a felony,

pursuant to New York Penal Law §190.65(1)(b). Stearns committed the crime by participating in a scheme in which he and others instructed certain insurance companies to submit non-competitive bids for insurance business as part of a deceptive bidding process, designed to ensure that certain other insurance companies would win the business, and which resulted in insurance clients being tricked and deceived.

#### Convicted of Felony Involving Dishonesty or Breach of Trust

Stearns is subject to enforcement action pursuant to ORS 731.428(4) because of the following circumstances. ORS 731.428(4) requires the director to revoke, suspend, or refuse to renew, the Oregon insurance producer license issued to a person that has been convicted either (1) of a felony involving dishonesty or a breach of trust as defined in Oregon Administrative Rules (OAR) 836-071-0321, or (2) 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 836-071-0321 *et seq.* On or about 1/6/05, Stearns was convicted of the crime described above. The crime is a felony involving dishonesty or breach of trust as defined in OAR 836-071-0323(7). The director has not received from Stearns an application for written consent to engage in the business of insurance.

#### Enforcement Action by Other State Insurance Regulator

Stearns is subject to enforcement action pursuant to ORS 744.074(1)(i) because of the following circumstances. ORS 744.074(1)(i) permits the director to take any authorized enforcement action against a person when another state insurance regulator cancels, revokes, suspends, or refuses to renew, the person's license in that state as an insurance producer, adjuster or consultant. On 1/10/05, the insurance regulator for the State of New York issued an order, number 2005-0001-S, allowing Stearns to surrender his New York resident insurance producer license, and denying any and all pending applications for licenses, with such surrender and denial having the same force and effect as if the licenses had been revoked or denied after a hearing.

**Action**

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

Dated April 15, 2006

/s/ Robert J. Stearns  
Robert J. Stearns

**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 April 27, 2006

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

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