

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

In the Matter of **Barney T. Lyles**  
and **BLIS International Group, Inc.**

) **FINAL ORDER**  
) Case No. INS 06-06-003

**History of the Proceeding**

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 Barney T. Lyles (Lyles) and BLIS International Group Inc. (BLIS).

On 6/26/06, the director issued a notice of proposed action notifying the parties that the director proposed to take enforcement action against the parties and that the parties were entitled to a hearing, pursuant to ORS 183.415.

The director did not receive a request for a hearing. The director did not hold a hearing because the director determined that the record of the proceeding proved a *prima facie* case and no further evidence was needed.

The director now makes the following final decision in this proceeding.

**Findings of Fact and Conclusions of Law**

Licensing Information

Lyles has been licensed in Oregon as a nonresident individual insurance producer from 6/9/94 to 6/30/95 and from 4/7/04 to 4/30/06. On 4/30/06, Lyles' license expired. Lyles' last recorded residence address is located in Denver, Colorado.

BLIS has been licensed in Oregon as a nonresident business entity insurance producer since 12/09/04. BLIS' license will expire on 12/31/06 if not renewed or terminated by then. BLIS' last recorded business address is located in Denver, Colorado.

Enforcement Action by Other State Insurance Regulator

Lyles and BLIS are each subject to enforcement action pursuant to ORS 744.074(1)(i) in because of the following circumstances. ORS 744.074(1)(i)

permits the director to take any authorized enforcement action against a person who has applied for a license or is licensed in Oregon as an insurance producer if another state insurance regulator canceled, revoked, suspended, or refused to renew, the person's license in that state as an insurance producer, adjuster or consultant. On 6/6/05, the insurance regulator for the State of Colorado issued an order, number 0-05-251, revoking both Lyle's and BLIS' Colorado resident insurance producer licenses effective 6/1/05. The insurance regulator took the action because allegedly \$400,000 of insurance premiums were diverted from BLIS' insurance premium trust account, Lyles was the beneficiary of the diverted premiums, and some of BLIS' clients have suffered or will suffer losses for non-covered claims totaling approximately \$400,000.

#### Failed to Report Enforcement Action by Other State Insurance Regulator

Lyles and BLIS are each subject to enforcement action pursuant to ORS 744.089(1) because of the following circumstances. ORS 744.074(1)(b) permits the director to take any authorized enforcement action against a person who has applied for a license or is licensed in Oregon as an insurance producer if the person violated any insurance statute; or any rule, order or subpoena of the director or the insurance regulator of another state. ORS 744.089(1) requires a person who is licensed in Oregon as an insurance producer to notify the Insurance Division of any enforcement action taken against the person by another state insurance regulator, and provide a copy of the order, within 30 days of the final disposition of the action. On 6/6/05, the insurance regulator for the State of Colorado issued an order, number 0-05-251, revoking both Lyle's and BLIS' Colorado resident insurance producer licenses effective 6/1/05 as described above. The action was finally disposed of on 6/6/05. Thus, Lyles and BLIS was required to notify the Insurance Division of the action and provide a copy of the order by 7/6/05. Lyles and BLIS has not notified the Insurance Division of the action or provided a copy of the order.

#### **Order**

Pursuant to ORS 744.074(1) and 744.011, Lyles' Oregon expired nonresident individual insurance producer license is revoked on the date of this order.

Pursuant to ORS 744.074(1), BLIS' Oregon nonresident business entity insurance producer license is revoked on the date of this order.

**Notice of Right to Judicial Review**

A party has the right to appeal this final order to the Oregon Court of Appeals pursuant to ORS 183.480 and 183.482. A party may institute a proceeding for judicial review by filing with the court a petition for judicial review within 60 days from the date this order was served on the party. If the order was personally delivered to a party, then the date of service is the day the party received the order. If the order was mailed to a party, then the date of service is the day the order was mailed to the party, not the day the party received the order. If a party files a petition, the party is requested to also send a copy of the petition to the Insurance Division.

Dated July 31, 2006

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

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