

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

In the Matter of **Heather A. VanCleave**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 06-08-011

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 Heather A. VanCleave (VanCleave).

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

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

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

Facts and Conclusions

Licensing Information

VanCleave has been licensed in Oregon as a resident individual insurance producer from 8/19/99 to 8/31/02 and since 10/9/02. VanCleave's last recorded residence address is located in Dayton, Oregon; and last recorded business address is located in Beaverton, Oregon.

Demonstrated Incompetence in the Conduct of Business

VanCleave is subject to enforcement action pursuant to ORS 744.074(1)(h) because of the following circumstances. ORS 744.074(1)(h) 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 used a fraudulent, coercive, or dishonest practice, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Oregon

or elsewhere. VanCleave demonstrated incompetence in the conduct of business. At all relevant times, VanCleave was employed by Larry Thompson Agency, Inc. (LTA) of Beaverton, Oregon, and was authorized by LTA to prepare and submit certificates of insurance to the Oregon Construction Contractors Board (CCB).

On 12/7/04, and again on 12/9/04, VanCleave prepared and sent to CCB information representing that Uptown Heights Condominiums, LLC (Uptown Heights) of Portland, Oregon, a licensed or formerly licensed real estate developer, was insured by American Family Mutual Insurance Company (AFMIC) under a commercial general liability insurance policy, number 36X055412-01, from 8/28/04 to 8/28/05. This representation was not true. AFMIC had not issued an insurance policy to Uptown Heights. VanCleave did not verify whether AFMIC had issued an insurance policy to Uptown Heights.

On 12/16/04, VanCleave prepared and sent to CCB information representing that Cambridge Condominiums, LLC (Cambridge) of Portland, Oregon, a licensed or formerly licensed real estate developer, was insured by AFMIC under a commercial general commercial general liability insurance policy, number 36X055412-01, from 8/28/04 to 8/28/05. This representation was not true. AFMIC had not issued an insurance policy to Cambridge. VanCleave did not verify whether AFMIC had issued an insurance policy to Cambridge.

On 8/30/05, VanCleave prepared and electronically sent to CCB information representing that Cambridge was insured by AFMIC under a commercial general liability insurance policy, number 36X055412-01, from 8/28/05 to 8/28/06. This representation was not true. AFMIC had not issued an insurance policy to Cambridge. VanCleave did not verify whether AFMIC had issued an insurance policy to Cambridge.

On 8/30/05, VanCleave prepared and electronically sent to CCB information representing that Uptown Heights was insured by AFMIC under a commercial general liability insurance policy, number 36X055412-01, from 8/28/05 to 8/28/06. This representation was not true. AFMIC had not issued an insurance policy to

Uptown Heights. VanCleave did not verify whether AFMIC had issued an insurance policy to Uptown Heights.

On 12/6/05, VanCleave prepared and electronically sent to CCB information representing that Lake Oswego Terraces Condominiums, LLC (Lake Oswego Terraces) of Portland, Oregon, a licensed or formerly licensed real estate developer, was insured by AFMIC under a commercial general liability insurance policy, number 36X11726-01, from 8/28/05 to 8/28/06. This representation was not true. AFMIC had not issued an insurance policy to Lake Oswego Terraces. VanCleave did not verify whether AFMIC had issued an insurance policy to Lake Oswego Terraces.

Action

Pursuant to ORS 731.988, VanCleave is assessed a civil penalty of \$5,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE, Room 440 (4th Floor), Salem, Oregon; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be *received* by the Insurance Division by the date of the final order.

Dated September 8, 2006

/s/ Heather A. VanCleave
Heather A. VanCleave

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 October 3, 2006

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