

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

In the Matter of **Matthew B. Forman**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 07-04-004

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 Matthew B. Forman (Forman).

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

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

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

Facts and Conclusions

Licensing Information

Forman has been licensed in Oregon as a nonresident producer from 1/20/99 to 9/22/05, and as a resident producer since 9/23/05. Forman's last recorded residence and business address is located in Portland, Oregon.

Made False Statement on or Relative to an Insurance Application

Forman is subject to enforcement action pursuant to ORS 746.100 because of the following circumstances. ORS 746.100 prohibits a person from making a false or fraudulent statement or representation on or relative to an application for insurance. On or about 5/11/05, Forman completed an application for a variable universal life insurance policy to be issued by American Family Life Insurance Company (American Family). Forman stated on the application that the proposed insured was Jacob L. Shorten (J. Shorten). Forman also stated that J. Shorten was

born on 5/10/05, weighed 10 pounds, and was 21 inches long. Forman further stated that he saw J. Shorten and observed that J. Shorten was in good health. These statements were not true and Forman knew that they were not true because at the time J. Shorten was an unborn child, and Forman talked with Lee and Monique Shorten of Beaverton, Oregon, about Monique Shorten (M. Shorten) being pregnant with J. Shorten. Subsequently, Forman sent the application to the insurer, and the insurer relied on the information in the application and issued the policy applied for. On or about the next day, 5/11/05, Forman completed an application for a variable universal life insurance policy to be issued by American Family to M. Shorten. Forman stated on the application that M. Shorten did not have a primary health care provider and had not consulted with a health care provider within the last five years. These statements were not true and Forman knew that they were not true because Forman talked with M. Shorten on 5/11/05 about her having consulted within the previous year with her primary health care provider about her being pregnant with J. Shorten. Subsequently, Forman sent the application to the insurer, and the insurer relied on the information in the application and issued the policy applied for.

Action

Pursuant to ORS 731.988, Forman is assessed a civil penalty of \$2,000.00. 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 April 20, 2007

/s/ Matthew B. Forman
Matthew B. Forman

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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 May 7, 2007

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

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