

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

In the Matter of **Brenda G. Hartman**) **FINAL ORDER**
) Case No. INS 07-11-008

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 Brenda G. Hartman (Hartman), now known as Brenda G. Burum.

On 12/19/07, the director issued and mailed to the party a notice of proposed action notifying the party that the director proposed to take enforcement action against the party and the party was entitled to a hearing pursuant to ORS 183.415.

On 12/31/07, the director timely received from the party a written request for a hearing.

On 1/3/08, the director referred the party's request for a hearing to the Office of Administrative Hearings (OAH).

On 2/12/08, OAH scheduled a hearing to be conducted on 4/7/08, and mailed to the party a written notice informing the party of the date, time and place of the hearing.

On 3/24/08, the director issued and mailed to the party an amended notice of proposed action. The notice informed the party that the director proposed to take the same enforcement action but for a different combination of reasons. The notice also informed the party that the scheduled hearing would continue to be conducted as scheduled. The notice further informed the party that if a hearing was not conducted then the designated portion of the Insurance Division's file, including all materials submitted by a party, in this case will automatically become part of the contested case record for the purpose of proving a *prima facie* case.

On 4/4/08, the director received by fax from the party a letter dated 4/4/08 withdrawing the request for a hearing. OAH did not conduct a hearing.

The director finds that the record of this proceeding to date, including information in the designated portion of the Insurance Division's file and all materials submitted by the party, proves a *prima facie* case.

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

Findings of Fact and Conclusions of Law

Licensing Information

Hartman has been licensed in Oregon as a resident insurance producer since 11/4/03. Hartman's last recorded residence and business address is located in Roseburg, Oregon.

Failed to Report Criminal Action

Hartman is subject to enforcement action pursuant to ORS 744.089(2) 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. An insurance statute, ORS 744.089(2), requires a person who is licensed in Oregon as an insurance producer to notify the director of any criminal prosecution of the person and provide a copy of the initial complaint, order resulting from the hearing, and any other relevant legal documents, within 30 days of the pretrial hearing. On or about 6/30/06, in the United States District Court for the District of Oregon, Eugene Division, in the criminal case *United States of America v. Brenda Gay Hartman*, case number CR 05-60103-1-AA, Hartman pleaded guilty to committing the crime of bankruptcy fraud, pursuant to Title 18 USC §157. Thus, Hartman was required to notify the director of the criminal action, and provide a copy of the specified documents, at least by 7/31/06. Hartman did not voluntarily notify or provide any documents to the director. On 10/22/07, the director called Hartman and requested she provide copies of all documents she had related to the criminal case. On 10/25/07, the director received from Hartman a letter dated 10/22/07 informing the director about the action and providing a copy of only a

criminal judgment dated 11/15/06. Hartman did not provide to the director a copy of a criminal indictment dated 9/22/05.

Convicted of Felony Involving Dishonesty or Breach of Trust

Hartman 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 who was convicted of, among other things, a felony involving dishonesty or a breach of trust. OAR 836-071-0321(1) defines a felony involving dishonesty as “includ[ing] but not limited to any offense constituting or involving theft, burglary, perjury, bribery, forgery, counterfeiting, a false or misleading oral or written statement, deception, fraud, a scheme or artifice to deceive or defraud, a material misrepresentation or the failure to disclose material facts.” On 11/14/06, Hartman was convicted, based on a plea of guilty, by the United States District Court for the District of Oregon, Eugene Division, in the criminal case *United States of America v. Brenda Gay Hartman*, case number CR 05-60103-1-AA, of committing the crime of bankruptcy fraud, pursuant to Title 18 USC §157. The crime of bankruptcy fraud is a felony and punishable by imprisonment under the laws of the United States.

Hartman committed the crime by engaging in the following conduct. In June 2000, while living in Klamath Falls, Oregon, Hartman filed a voluntary petition for bankruptcy in United States Bankruptcy Court in Eugene, Oregon. Hartman signed the petition under oath, attesting that she listed all of her true assets and expenses in the petition and attached schedules. When she filed the bankruptcy petition, Hartman intentionally omitted assets she owned, controlled or disposed of, including a 1992 Ford Truck. Hartman also under reported her monthly income, and falsely listed expenses including a monthly mortgage obligation and expenses for a residence which she did not actually own. She also failed to disclose a loan and payments made on that loan. On 7/28/00, Hartman testified under oath at a bankruptcy creditor’s meeting that the information in her bankruptcy petition and schedules was true, accurate and complete. This testimony was false and perjurious. In September 2000, the United States Bankruptcy Court

granted Hartman's petition for bankruptcy and discharged \$72,000 in debt. After receiving information that Hartman had falsified information in her bankruptcy petition and schedules, the bankruptcy trustee reopened the matter. In April 2002, Hartman testified in a deposition conducted by the U.S. Bankruptcy Trustee. During that deposition, and in furtherance of her scheme to defraud, Hartman made additional false statements under oath, and produced fabricated documents, including Oregon Division of Motor Vehicles (DMV) title documents which showed she had sold a vehicle.

Order

Pursuant to ORS 731.428 and ORS 744.074(1), Hartman's Oregon resident individual insurance producer license is revoked on the date of this order.

Notice of Right to Judicial Review

A party has the right to judicial review of this order pursuant to ORS 183.480 and ORS 183.482. A party may request judicial review by sending a petition for judicial review to the Oregon Court of Appeals. The court must receive the petition 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 date the party received the order. If the order was mailed to a party, then the date of service is the date the order was mailed to the party, not the date 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 April 14, 2008

/s/ Scott J. Kipper
Scott J. Kipper
Administrator
Insurance Division
Department of Consumer and Business Services

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