

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

In the Matter of **Byron C. Mellerio**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 07-12-005

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 Byron C. Mellerio (Mellerio).

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

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

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

Facts and Conclusions

Licensing Information

Mellerio has been licensed in Oregon as a resident insurance producer since 2/27/95. Mellerio's last recorded residence and business address is located in McMinnville, Oregon.

Failed to Deposit Insurance Premium into Trust Account and Misappropriated Money or Property

Mellerio is subject to enforcement action pursuant to ORS 744.083(1) and ORS 744.074(1)(d) 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 744.083(1) requires a person that is licensed in Oregon as an insurance producer to deposit into an insurance premium trust account all premium received by the insurance producer, unless permitted otherwise, and keep the premium therein until paid to the person entitled thereto.

ORS 744.074(1)(d) 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 improperly withheld, misappropriated, or converted, any moneys or properties received by the person in the course of doing insurance business.

From 6/15/07 to 6/30/07, Mellerio received from persons residing in Oregon at least \$12,739.69 in cash as payment of the premium for insurance provided or to be provided by various insurers of the Farmers Insurance Group (collectively referred to as Farmers). Mellerio did not deposit the money into a trust account. Mellerio did not forward the money to Farmers. Instead, Mellerio used the money to pay for personal expenses. Farmers reimbursed or credited the persons for the money they paid to Mellerio. Mellerio has not reimbursed Farmers.

Action

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

As consideration for the director not continuing to investigate Mellerio and not taking additional enforcement action against Mellerio, Mellerio agrees to not apply for any license authorized by ORS Chapter 744 unless Farmers has been reimbursed by or on behalf of Mellerio for all money that Farmers has reimbursed or credited persons for money paid to Mellerio.

Dated January 7, 2008

/s/ Byron C. Mellerio
Byron C. Mellerio

//
//
//

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 January 17, 2008

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

//
//
//