

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

In the Matter of **Douglas B. Adams**) **FINAL ORDER**
) Case No. INS 10-05-013

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 Douglas B. Adams (Adams).

On 8/10/11, the director issued a notice of proposed action informing the party that the director proposed to take enforcement action against the party, the party was entitled to a hearing pursuant to ORS 183.415, and if the party wanted a hearing then the party had to send to the director a written request for a hearing so that the director received it by 8/31/11. The notice also informed the party that if a hearing was not conducted then the designated portion of the Insurance Division's file and all materials submitted by the party in this case would automatically become part of the contested case record for the purpose of proving a *prima facie* case.

On 8/26/11, the director received from the party an e-mail requesting a hearing.

On 11/14/11, the director received from the party an e-mail withdrawing the party's request for a hearing.

The director did not conduct any hearing.

The director found that the record of this proceeding 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

Adams has been licensed in Oregon as a resident producer since 11/18/86 to 11/30/95, and since 1/31/96. Adams' license number is 118533, and NAIC national producer number is 37646. Adams' last recorded residence and business address is

6992 Rainbow Drive SE, Salem, OR 97306-9535; telephone number is 503-362-9015; and e-mail address is seniorlifestyle@aol.com.

Failed to Notify Director of Use of Assumed Business Name While Transacting Insurance

Adams is subject to enforcement action pursuant to ORS 744.068(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 744.068(1) requires a person licensed in Oregon as an insurance producer to notify the director before using an assumed business name while transacting insurance in Oregon.

From 1/29/98 to at least March 2010, Adams used the assumed business name of “Senior Financial Services” in the while transacting insurance business in Oregon. Adams never unilaterally notified the director that Adams used the assumed business name of “Senior Financial Services” in the while transacting insurance business in Oregon.

Made False, Deceptive, or Misleading Statements Regarding Insurance

Adams is subject to enforcement action pursuant to ORS 746.110 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 746.110 prohibits a person from making, publishing, disseminating, circulating, or placing before the public, an advertisement, announcement, or statement containing any assertion, representation, or statement, with respect to the business of insurance or with respect to any person in the conduct of the insurance business, which is untrue, deceptive or misleading.

From sometime in 2005 to March 2010, Adams gave or sent to persons residing in Oregon a booklet entitled *Annuity Owner Mistakes: What You Don't Know Can Cost You Thousands.* On the front of the booklet, there is a picture of Adams meeting with two elderly persons in the dining area of a kitchen. Also on the front of the booklet, it states that the booklet is “presented by Douglas B. Adams.” In a cover letter that Adams sent with the booklet, Adams stated that “We [referring to Adam’s assumed business name of ‘Senior Financial Services’] are annuity specialist, and after seeing hundreds of annuity owners make mistakes, I wrote the enclosed booklet that you ordered.” This representation was not true or at least was misleading because Larry Klein of NF Communications, Inc. wrote or caused pages 1 to 14 of the 18 page booklet to be written and Adams purchased the booklet or the right to use the booklet from NF Communications, Inc.

Also in the booklet entitled *Annuity Owner Mistakes: What You Don't Know Can Cost You Thousands,* on page 15, Adams stated that “Douglas Adams [is the] President of Senior Financial Services....” This representation was not true or at least was misleading because “Senior Financial Services” was only an assumed business name of Adams, not a separate legal entity with officers.

Also in the booklet entitled *Annuity Owner Mistakes: What You Don't Know Can Cost You Thousands,* on page 17, Adams stated that “Senior Financial Services is a division of Adams Marketing International Inc.” This representation was not true or at least was misleading because “Senior Financial Services” was an assumed business name of only Adams, not of Adams Marketing International Inc.

From about July 2007 to at least January 2010, Adams gave to persons, who attended insurance marketing presentations conducted solely by Adams, a marketing flyer that was printed on paper with the American flag as a watermark. The flyer stated, *inter alia*, “Douglas Adams *and his staff* are dedicated to providing exceptional service, while offering the most innovative planning strategies available to Seniors who have accumulated assets worth protecting.”(Emphasis added). This representation that Adams employed, contracted with, or otherwise managed “staff” was not true or at least was misleading because at the time Adams did not employ

or contract with any individual to assist him offering financial products and services. The reference to “his staff” was to individuals who were employed by “various field marketing organizations within the insurance industry” and who “work[ed] for the agents that produce business through that FMO. They are the staff that is available to assist agents in case design or producing printouts of proposed strategies or plans.”

From about July 2009 to at least September 2010, Adams gave to persons, who attended insurance marketing presentations conducted solely by Adams, a marketing flyer. The first page of the flyer was entitled “*Douglas B. Adams - Please Read Douglas Adams’ Very Important Message: Financial Seminars Under Attack ! Don’t Throw out the Baby with the Bath Water.*” The first three paragraphs are written in the first person. The title and the first three paragraphs represented that the message was authored by Adams. This representation was not true or at least was misleading because Adams did not author the first three paragraphs on page one, although Adams authored the last paragraph on page one and all of page two.

Used Insurance Certification or Designation Without Authorization While Transacting Insurance

Adams is subject to enforcement action pursuant to OAR 836-080-0160(1)(a) 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. OAR 836-080-0160(1)(a) prohibits a person from “us[ing] a certification or designation that falsely indicates or implies that the person has special certification or training, in connection with the offer, sale or purchase of insurance or providing advice as to the value of or the advisability of purchasing insurance. The prohibition in this section applies to the use of such a certification or designation directly or indirectly, through a publication or writing, or by issuing or disseminating information

relating to insurance. The prohibited use of a certification or designation includes but is not limited to ...[u]se of a certification or professional designation by a person who has not actually earned or is otherwise ineligible to use the certification or designation.” OAR 836-080-0160 became effective on 11/1/09.

The Society of Certified Senior Advisors™ (SCSA) issues the designation of Certified Senior Advisor (CSA)® to persons who are members of SCSA and qualify for the designation. Adams was a member of SCSA and had qualified for the designation. However, Adams’ membership expired in May 2009. On or about 4/26/10, not having received a reply to the Insurance Division’s letters dated 3/15/10 or 3/31/10, the Insurance Division called and left a voice mail message for Adams at his last recorded residence and business telephone number of 503-362-9015. On or about 4/28/10, Adams called the Insurance Division. The Insurance Division informed Adams, *inter alia*, that his membership had expired. Adams completed a membership renewal form and a check for \$195 and mailed it to SCSA. On 5/24/10, SCSA received by mail from Adams the membership renewal form dated 5/5/10 and check number 5024 dated 4/10/10 or 5/10/10. On 5/25/10, SCSA renewed Adams’ membership. Thus, Adams was not eligible to use such designation from May 2009 to 5/24/10. However, Adams used the designation in the conduct of insurance business in Oregon from May 2009 to at least March 2010.

Failed to Report or Timely Report Criminal Action

Adams 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.

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. The law

requires the person to report the criminal action regardless of whether the person engaged in the criminal conduct while transacting insurance.

On 10/7/09, in the Circuit Court for the State of Oregon for Marion County, in the criminal case *State v. Douglas B. Adams*, case number 09C48728, Adams was charged with committing on or about 9/1/09 five counts of the crime of telephonic harassment, a misdemeanor, pursuant to ORS 166.090. On 10/21/09, Adams appeared before the court to respond to the charges. On 12/7/09, Adams was convicted, based on a plea of guilty, of committing two of the five counts of the crime. Adams was required to notify the Insurance Division of this criminal action, and provide a copy of the documents specified in ORS 744.089(2), by 11/20/09. Adams did not unilaterally notify the Insurance Division of this criminal action. Instead, Adams notified the Insurance Division of this criminal action only in response to a request by the Insurance Division for such information during the Insurance Division's investigation of Adams. Adams' Oregon insurance producer license was scheduled to expire on 9/30/10. On 10/1/10, the Insurance Division received from Adams by personal delivery or first class mail an undated letter saying "Please find enclosed my certificates for CE [continuing education] requirements. Also find my renewal check for \$45. My address of record has not changed." Enclosed with the letter were certificates for, *inter alia*, "Ethics for Producers: Cases and Comments" taken on 9/25/10, and "Oregon Insurance Law" taken online on 9/26/10. The letter did not enclose Adams' license renewal application. The license renewal application asked for the applicant to indicate whether the applicant had been convicted of a misdemeanor or felony in the last two years. The letter also did not disclose, or enclose any documents relating to, this criminal action. As part of the Insurance Division's review of Adams' pending license renewal, the Insurance Division requested Adams to inform the Insurance Division whether Adams had been convicted of a misdemeanor or felony in the last two years. On 10/5/10, 319 days late, the Insurance Division received from Adams by fax Adams' uncompleted license renewal form dated 7/14/10, and a letter dated 10/4/10 disclosing, but not enclosing the documents specified in ORS 744.089(2)

relating to, this criminal action. On 3/15/10, the Insurance Division began investigating Adams. On 11/3/10, and again on 11/30/10, during the investigation, the Insurance Division mailed a letter to Adams requesting certain information about this and another criminal action against Adams. On 12/21/10, 396 days late, the Insurance Division received by fax from Adams a letter dated 12/20/10 providing a copy of the Information dated 10/21/09 and Judgment dated 12/7/09 relating to this criminal action; but not disclosing or enclosing any documents relating to the other criminal action.

On 10/29/09, in the Circuit Court for the State of Oregon for Marion County, in the criminal case *State v. Douglas B. Adams*, case number 09C49156, Adams was charged with committing on or about 10/18/09 one count of the crime of unlawful possession of a firearm, a misdemeanor, pursuant to ORS 166.250. On 11/5/09, Adams appeared before the court to respond to the charges. On 12/7/09, Adams was convicted, based on a plea of guilty, of committing the one count of the crime. Adams was required to notify the Insurance Division of this criminal action, and provide a copy of the documents specified by ORS 744.089(2), by 12/7/09. Adams did not unilaterally notify the Insurance Division of this criminal action. Instead, Adams notified the Insurance Division of this criminal action only in response to a request by the Insurance Division for such information during the Insurance Division's investigation of Adams. Adams' Oregon insurance producer license was scheduled to expire on 9/30/10. On 10/1/10, the Insurance Division received from Adams by personal delivery or first class mail an undated letter saying "Please find enclosed my certificates for CE [continuing education] requirements. Also find my renewal check for \$45. My address of record has not changed." Enclosed with the letter were certificates for, *inter alia*, "Ethics for Producers: Cases and Comments" taken on 9/25/10, and "Oregon Insurance Law" taken online on 9/26/10. The letter did not enclose Adams' license renewal application. The license renewal application asked for the applicant to indicate whether the applicant had been convicted of a misdemeanor or felony in the last two years. The letter also did not disclose or enclose any documents relating to this criminal action. As part of the Insurance

Division's review of Adams' pending license renewal, the Insurance Division requested Adams to inform the Insurance Division whether Adams had been convicted of a misdemeanor or felony in the last two years. On 10/5/10, the Insurance Division received from Adams by fax Adams' uncompleted license renewal form dated 7/14/10, and a letter dated 10/4/10 disclosing , but not enclosing the documents specified in ORS 744.089(2) relating to, another criminal action. On 3/15/10, the Insurance Division began investigating Adams. On 11/3/10, and again on 11/30/10, during the investigation, the Insurance Division mailed a letter to Adams requesting certain information about this and the other criminal action against Adams. On 12/21/10, the Insurance Division received by fax from Adams a letter dated 12/20/10 enclosing the documents specified in ORS 744.089(2) relating to the other criminal action, but not disclosing or enclosing any documents relating to this criminal action. On 5/12/11, also during the investigation, the Insurance Division delivered to Adams a letter dated 5/11/11 requesting, *inter alia*, information about this criminal action. On 6/10/11, 550 days late, the Insurance Division received by fax from Adams a letter dated 6/9/11 disclosing, but not enclosing any documents relating, to this criminal action.

Provided Incomplete and Misleading Information on Insurance License Application

Adams is subject to enforcement action pursuant to ORS 744.074(1)(a) because of the following circumstances.

ORS 744.074(1)(a) 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 provided to the director incorrect, misleading, incomplete or materially untrue information on an Oregon insurance producer license application.

Adams provided incomplete and misleading information relative to the renewal of Adams' Oregon insurance producer license in October 2010. Adams' Oregon insurance producer license was schedule to expire on 9/30/10. On 10/1/10, the Insurance Division received from Adams by personal delivery or first class mail an undated letter saying "Please find enclosed my certificates for CE [continuing

education] requirements. Also find my renewal check for \$45. My address of record has not changed.” Enclosed with the letter were certificates for, *inter alia*, “Ethics for Producers: Cases and Comments” taken on 9/25/10, and “Oregon Insurance Law” taken online on 9/26/10. The letter did not enclose Adams’ license renewal application. The license renewal application asked for the applicant to indicate whether the applicant had been convicted of a misdemeanor or felony in the last two years. The letter also did not disclose or enclose any documents relating to any criminal action. As part of the Insurance Division’s review of Adams’ pending license renewal, the Insurance Division requested Adams to inform the Insurance Division whether Adams had been convicted of a misdemeanor or felony in the last two years. On 10/5/10, the Insurance Division received from Adams by fax Adams’ uncompleted license renewal form dated 7/14/10, and a letter dated 10/4/10 disclosing one criminal action, case number 09C48728; but not another criminal action, case number 09C49156.

Failed to Timely or Truthfully Respond to Director’s Inquiry

Adams is subject to enforcement action pursuant to ORS 731.296 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 731.296 requires a person who is licensed in Oregon in any capacity under the Insurance Code to promptly and truthfully respond to an inquiry from the director.

Insurance Division’s Letter dated 3/15/10

On 3/5/10, the Society of Certified Senior Advisors™ (SCSA) mailed a letter dated 3/5/10 to Adams at 1275 Marshall Drive SE Salem, OR 97302. The letter stated:

We have been notified that you are currently using our designation, Certified Senior Advisor (CSA)®, in the conduct of your business. According to our records, your membership lapsed May of 2009 due to non-payment of renewal fees. Because of this, you cannot hold yourself

forth as a certified Senior Advisor, nor may you use the CSA designation, marks or logo for any purpose. We respectfully request that you immediately discontinue this wrongful use of the CSA designation, in whatever form or media this wrongful use occurs, including but not limited to print, broadcast, and electronic media. We also respectfully request that you destroy any printed or other physical materials that currently contain the CSA designation, logo and/or marks; and that you send us a letter postmarked no later than April 5, 2010, acknowledging that you have done so. [The] Society of Certified Senior Advisors (“SCSA”) aggressively protects its designation, trademarks and logos from wrongful use. We do this to ensure that public persons and regulatory bodies are not misled as to which professionals are CSAs in good standing, and to protect the mark for the benefit of those professionals who use the CSA designation properly. Again, please send written confirmation to the SCSA, at the address below, indicating that you have conformed to the terms of this letter.

On 3/9/10, the Insurance Division received a copy of SCSA’s letter dated 3/5/10. On 3/15/10, the Insurance Division mailed by both first class and certified mail a letter dated 3/15/10 to Adams at his last recorded residence and business mailing address of PO Box 13981 Salem, OR 97309-1981. The letter stated in part “The Oregon Insurance Division (Division) has been notified by [SCSA] that you are using a special certification or professional designation that you are no longer authorized, entitled or ineligible to use. ... The notice received indicates that you are using the designation of ‘Certified Senior Advisor’ (CSA) on marketing and informational material you use in the course of business in this state.” The letter requested Adams to either (1) discontinue using the designation, remove it from his marketing materials, and certify that he had done so, or (2) provide proof that he was eligible to use the designation, and certify that he was so eligible. The letter requested that Adams mark the appropriate paragraph in the letter, sign it, date it, include proof of eligibility if applicable, and return it to the Insurance Division so the Insurance Division received the reply by 3/29/10. On 3/22/10, the US Postal Service (USPS) left for Adams a delivery notice dated 3/22/10 indicating that the Insurance Division’s letter dated 3/15/10 was available for pickup but would be returned to the sender if not claimed by 4/1/10. On 3/31/10, not having received

from Adams any response to the Insurance Division's letter dated 3/15/10, the Insurance Division mailed by at least certified mail the same letter to Adams but this time at his last recorded residence and business street address of 1275 Marshall Drive SE Salem, OR 97309-1981. The letter requested Adams to respond by 4/15/10. Although the letter was addressed to an incorrect zip code of 97309, USPS attempted to deliver to Adams the Insurance Division's letter dated 3/31/10 at the correct zip code of 97302. USPS left for Adams on 4/1/10 and again on 4/24/10 a delivery notice indicating that the Insurance Division's letter dated 3/31/10 was available for pickup but would be returned to the sender if not claimed by 5/1/10. On 4/12/10, the Insurance Division received by return mail its letter dated 3/15/10 marked "Return to Sender – Unclaimed – Unable to Forward." On 4/19/10, Adams received USPS' delivery notice dated 3/22/10 indicating that the Insurance Division's letter dated 3/15/10 was available for pickup but would be returned to the sender if not claimed by 4/1/10. On 4/26/10, not having received from Adams any response to the Insurance Division's letters dated 3/15/10 and 3/31/10, the Insurance Division called and left a voice mail message for Adams at his last recorded residence and business telephone number at 503-362-9015. On 4/28/10, Adams called the Insurance Division saying that Adams was in Georgia and had received the Insurance Division's voice mail message. The Insurance Division informed Adams that the Insurance Division had mailed by certified mail a letter to Adams and described what the letter requested Adams to do. Adams said that he would have someone claim the letter and respond. On 4/29/10, the Insurance Division received by first class mail from Adams an undated, handwritten, letter saying that "I did not receive this [enclosed USPS delivery notice dated 3/22/10] until 4/19/10 as I have been away on personal business. Please resend correspondence/information to: 1275 Marshall Dr SE, Salem, OR 97302. I can have any mail delivered to this address sent to me more conveniently. Thank you. Douglas B. Adams." Enclosed with Adams' undated letter was a USPS delivery notice dated 3/22/10 indicating that the Insurance Division's letter dated 3/15/10 was available for pickup after 3/22/10 but would be returned to the sender if

not claimed by 4/1/10. The envelope in which the undated letter was mailed was postmarked on 4/26/10 and mailed from zip code 85338 which is assigned to Goodyear, Arizona. Since the Insurance Division had previously mailed its letter dated 3/31/10 to Adams at 1275 Marshall Dr SE, Salem, OR 97302, and the letters dated 3/15/10 and 3/31/10 requested the same information, the Insurance Division did not mail again either letter to Adams. On 5/17/10, the Insurance Division received by return mail its letter dated 3/31/10 marked "Return to Sender – Unclaimed – Unable to Forward." On 6/1/10, the Insurance Division received by first class mail from Adams an undated letter saying "As per our phone conversation [on 4/28/10] I am awaiting my paperwork for my renewal from the Society of Certified Senior Advisors, I have sent them the renewal check so as soon as I get the paperwork from them stating that I have been reestablished I will forward a copy of it to you. I sincerely apologize for this oversight, as I had just not renewed as I do every year it was just an oversight on my part thank you for your attention to this matter on my behalf. I will do my best to make sure it is not overlooked in the future. Sincerely Douglas b Adams." The envelope in which the undated letter was mailed was postmarked on 5/26/10 and mailed from zip code 85338 which is assigned to Goodyear, Arizona. In the upper left hand corner of the envelope, where a return address is normally displayed, it read "Douglas B. Adams, Senior Financial Services, 1275 Marshall Dr SE, Salem, OR 97302." On 7/8/10, 101 days late, the Insurance Division received by FedEx courier from Adams an undated letter providing the information requested in the Insurance Division's letter dated 3/15/10. Enclosed was the Insurance Division's letter dated 3/15/10 completed with the date "6/25/2010" indicating that Adams had renewed his SCSA membership as of 6/25/10. Also enclosed was a copy of Adams' SCSA membership renewal form as received and processed by SCSA indicating that SCSA received the form on 5/24/10 and renewed Adams' SCSA membership on 5/25/10. The envelope in which the undated letter was mailed was postmarked on 7/6/10 and mailed from zip code 85326 which is assigned to Buckeye, Arizona.

Insurance Division's Letter dated 5/27/10

On 5/27/10, the Insurance Division mailed by both first class and certified mail a letter to Adams at his last recorded to Adams at his last recorded residence and business street address of 1275 Marshall Drive SE Salem, OR 97302-2639. The letter requested Adams to provide the information requested in the Insurance Division's previous two letters dated 3/15/10 and 3/31/10, and provide certain additional information to the Insurance Division by 6/17/10. USPS left for Adams a delivery notice on 5/28/10 and again on 6/25/10 indicating that the Insurance Division's letter dated 5/27/10 was available for pickup but would be returned to the sender if not claimed by 6/27/10. On 6/22/10, not having received from Adams any response to the Insurance Division's letter dated 5/27/10, the Insurance Division mailed by both first class and certified mail a letter dated 6/22/10 to Adams at his last recorded residence and business street address of 1275 Marshall Drive SE Salem, OR 97309-1981. The letter informed Adams that the Insurance Division had not received the information requested in its letters dated 3/15/10, 3/31/10, and had not received any response to its letter dated 5/27/10, but continued to request the information and response. USPS left for Adams on 6/24/10 and again on 7/6/10 a delivery notice indicating that the Insurance Division's letter dated 6/22/10 was available for pickup. On 7/8/10, 21 days late, the Insurance Division received from Adams by FedEx courier an undated letter providing some but not all of the information requested in the Insurance Division's letter dated 5/27/10. Adams' did not answer or provide all of the information requested in questions 2, 4e, 5b, 6d, 8b and 12. The envelope in which the undated letter was mailed was postmarked on 7/6/10 and mailed from zip code 85326 which is assigned to Buckeye, Arizona. On 7/12/10, the Insurance Division received by return mail its letter dated 5/27/10 marked "Return to Sender – Unclaimed – Unable to Forward."

Insurance Division's Letter dated 7/14/10

On 7/14/10, the Insurance Division mailed by both first class and certified mail a letter dated 7/14/10 to Adams at his last recorded to Adams at his last recorded residence and business street address of 1275 Marshall Drive SE Salem, OR 97302-

2639. The letter requested Adams to provide certain information to the Insurance Division by 8/4/10. USPS left for Adams a delivery notice on 7/15/10 and again on 8/19/10 indicating that the Insurance Division's letter dated 7/14/10 was available for pickup. On 8/6/10, when Adams did not respond by the due date, the Insurance Division mailed by only first class mail a letter dated 8/6/10 to Adams at his last recorded to Adams at his last recorded residence and business street address of 1275 Marshall Drive SE Salem, OR 97302-2639. The letter informed Adams that the Insurance Division had not received any response to its letter dated 7/14/10 but continued to request a response. On 8/9/10, Adams called the Insurance Division saying that he returned home, presumably meaning to Salem, Oregon, on 8/8/10, and would respond as soon as possible to the Insurance Division's letter dated 7/14/10. On 8/10/10, the Insurance Division received by return mail its letter dated 8/6/10 marked "Return to Sender – Adams' Douglas B – Moved Left No Address – Unable to Forward." On 8/10/10, the Insurance Division mailed by both first class and certified mail a letter dated 8/10/10 to Adams at his last recorded residence and business mailing address of PO Box 13981 Salem, OR 97309-1981. The letter informed Adams that the Insurance Division had not received the information requested in its letter dated 7/14/10 but continued to request the information. USPS left for Adams a delivery notice on 8/11/10 and again on 8/20/10 indicating that the Insurance Division's letter dated 8/10/10 was available for pickup. On 8/31/10, the Insurance Division received by return mail its letter dated 7/14/10 marked "Unclaimed." On 9/8/10, the Insurance Division received by return mail its letter dated 8/10/10 marked "Return to Sender – Unclaimed – Unable to Forward." On 9/8/10, the Insurance Division mailed by only first class mail a letter dated 9/8/10 to Adams at his last recorded residence and business mailing address of PO Box 13981 Salem, OR 97309-1981. The letter informed Adams that the Insurance Division had not received the information requested in its letter dated 7/14/10 but continued to request the information. The Insurance Division did not receive by return mail its letter dated 9/8/10. On 9/13/10, 40 days late, the Insurance Division received from Adams by first class mail an undated letter

providing the information requested in the Insurance Division's letter dated 7/14/10. Also enclosed was a copy of the Insurance Division's letter dated 8/10/10, and the envelope in which the Insurance Division's letter dated 8/6/10 was returned to the Insurance Division on 8/10/10. On the envelope, Adams hand wrote "Post office mistake – new carrier apparently – I get mail at this address [meaning 1275 Marshall Drive SE Salem, OR 97302-2639] + PO Box – I have not moved away." The envelope in which the undated letter was mailed was postmarked on 9/10/10 and mailed from zip code 852### and which is assigned to various areas east of Phoenix, Arizona.

Insurance Division's Letter dated 11/3/10

On 11/3/10, the Insurance Division mailed by only certified mail a letter dated 11/3/10 to Adams at his last recorded residence and business mailing address of PO Box 13981 Salem, OR 97309-1981. The letter requested Adams to provide certain information about his conviction for telephonic harassment to the Insurance Division by 11/24/11. The US Postal Service left for Adams a delivery notice on 11/4/10 and again on 11/10/10 indicating that the Insurance Division's letter dated 11/3/10 was available for pickup. On 11/29/10, the Insurance Division received by return mail its letter dated 11/3/10 marked "Return to Sender – Unclaimed – Unable to Forward." On 11/30/10, the Insurance Division mailed by first class and certified mail a letter dated 11/30/10 to Adams at his last recorded residence and business street address of 1275 Marshall Drive SE Salem, OR 97302-2639. The letter informed Adams that the Insurance Division had not received any response to its letter dated 11/3/10 but continued to request a response. The US Postal Service left for Adams a delivery notice on 12/1/10 and again on 12/6/10 indicating that the Insurance Division's letter dated 11/30/10 was available for pickup. On 12/8/10, the Insurance Division received by return mail its letter dated 11/30/10 marked "Return to Sender – Unclaimed – Unable to Forward." On 12/21/10, 28 days late, the Insurance Division received by fax from Adams a letter dated 12/20/10 providing a copy of the Information dated 10/21/09 and Judgment dated 12/7/09 in criminal case number 09C48728.

Insurance Division's Letter dated 5/12/11

On 5/12/11, the Insurance Division delivered to Adams a letter dated 5/11/11. The letter requested Adams to provide certain information to the Insurance Division by 6/10/11. On 6/10/11 at 11:58 PM, the Insurance Division received by fax from Adams a letter dated 6/9/11. Although the Insurance Division timely received from Adams a response, the response was incomplete and false. Adams' did not answer or provide the information requested in questions 10.d, 20, 25.e, 25.f, 31, 32, 34, 35, and 36. Adams falsely answered questions 2.d, 3.d, 4.d, 5.d, 6.d, 7, 8, 9, 19.c, 31, and 38 by saying that he "had [previously] sent [the information] as requested" but the Insurance Division did not receive the information, the Insurance Division had informed Adams that the Insurance Division had not received the information that had been requested before 5/11/11, and Adams did not provide any proof that he had sent the information.

Order

Pursuant to ORS 731.988(1), Adams is assessed a civil penalty of \$9,000.00. Pursuant to ORS 183.090(2), the payment is due on, and shall be received by the Insurance Division by, 1/31/12, unless Adams timely requests judicial review of the order as described below. 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 or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, OR 97301-3880; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405.

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 by delivering it to the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, OR 97301-3880; or mailing it to PO Box 14480, Salem, OR 97309-0405; or faxing it to 503-378-4351; or e-mailing it to mitchel.d.curzon@state.or.us.

Dated November 21, 2011

/s/ Teresa D. Miller
Teresa D. Miller
Administrator
Insurance Division
Department of Consumer and Business Services

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