

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

In the Matter of **Brenda J. Sherrell** ) **STIPULATION** and  
 ) **FINAL ORDER**  
 ) Case No. INS 11-02-003

**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 Brenda J. Sherrell (Sherrell).

Sherrell desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

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

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

**Facts and Conclusions**

Licensing Information

Sherrell has been licensed in Oregon as a resident individual insurance producer from 5/3/93 to 5/31/04 and since 6/30/04. Sherrell's license number is 603593, and NAIC national producer number is 5281347. Sherrell's last recorded residence address is 770 E View Drive, Hermiston, OR 97838-9431, residence telephone number is 541-720-8456; and e-mail address is [bsherrell1@hotmail.com](mailto:bsherrell1@hotmail.com). Sherrell's last recorded business address is Ferranti Graybeal Insurance Agency, Inc., 408 E Main Street, Hermiston, OR 97838-9431; telephone number is 541-567-5523; e-mail address: [brenda@fg-insurance.com](mailto:brenda@fg-insurance.com).

Misappropriated Money or Property Received in Course of Insurance Business

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

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.

At all relevant times, Sherrell was appointed by various insurers of the Farmers Insurance Group (Farmers) as its agent to transact insurance in Oregon. Sherrell was authorized to solicit and receive applications and payments for premium for insurance to be provided by Farmers. Sherrell was required to remit daily to Farmers all applications and premium payments received. On 1/12/09, Farmers terminated Sherrell's appointment "for embezzlement of monies belonging to Farmers."

From 10/17/08 to 1/12/09, Sherrell received from 67 persons 79 payments in cash of insurance premiums totaling \$11,901.97. The premiums were for insurance provided or to be provided by Farmers. Sherrell deposited the payments into her insurance premium trust account, number 902008241, at Columbia River Bank. Sherrell did not remit the payments to Farmers.

From 10/17/08 to 12/19/08, Sherrell received from 75 persons 84 payments in cash of insurance premiums totaling \$12,322.66. The premiums were for insurance provided or to be provided by Farmers. Sherrell did not deposit the payments into her trust account. Sherrell issued 21 checks, totaling \$12,322.46, drawn on her trust account and depositing the checks into Farmers account, number 0700476995, at Union Bank of California. The checks were paid by Columbia River Bank upon presentment by Union Bank of California, and Farmers credited the payments to the policies issued to the persons who made the payments. Since Sherrell did not deposit the payments into her trust account but the checks were paid upon presentment, and assuming that her trust account contained only premium payments, Sherrell used premium payments made by other persons to pay the checks. Sherrell misappropriated the payments that were made by the other persons, deposited into her trust account, and used to pay the checks.

### Failed to Timely Deposit Premium into Trust Account

Sherrell is subject to enforcement action pursuant to Oregon Administrative Rules (OAR) 836-074-0025 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 836-074-0025 requires a person that is licensed in Oregon as a resident insurance producer to deposit into an insurance premium trust account all premium received by the person within seven days after receiving the premium, when deposit is required.

From 9/3/08 to 12/24/08, Sherrell received from persons 193 payments by cash of insurance premiums totaling \$28,867.57. Sherrell deposited the payments into her trust account at Columbia River Bank but deposited the payments more than seven days after receiving them, ranging from 1 to 31 days, with an average of 20 days, late.

From 9/3/08 to 12/29/08, Sherrell received from persons 315 payments by check of insurance premiums totaling \$74,302.21. Sherrell deposited the payments into Farmers account at Union Bank of California but deposited them more than seven days after receiving them, ranging from 3 to 34 days, with an average of 24 days, late.

### **Action**

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

As consideration for the director not continuing to investigate or taking additional enforcement action against Sherrell, Sherrell agrees to never apply for any license authorized by ORS Chapter 744; or have any equity interest in, be an officer or director of, or be employed by or contracted with, any person that is issued any license authorized by ORS Chapter 744.

Dated March 24, 2011

/s/ Brenda J. Sherrell  
Brenda J. Sherrell

**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 March 30, 2011

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

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