

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

In the Matter of Shelby “Saku” H. Bell)	AMENDED
dba Hobo Prince Economic Project)	CEASE AND DESIST
dba Be’Rio Investments)	ORDER
dba Be’Rio Transports LLC)	Case No. INS 12-04-003

The cease and desist order previously issued in this proceeding is amended to read as follows:

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 Shelby “Saku” H. Bell (Bell) dba Hobo Prince Economic Project, Be’Rio Investments, and Be’Rio Transports LLC.¹

Pursuant to ORS 731.252, the director issues this cease and desist order to Bell because the director has reason to believe the following.

Findings of Fact

Licensing Information

Bell has never been licensed in Oregon in any capacity under the Insurance Code including but not limited to as an insurance producer. Bell is a resident of the State of Washington. Bell’s last known residence address is 9209 NE 116th Avenue, Vancouver, WA 98662-2336. Bell is believed to have conducted business from various locations in Washington and Oregon.

¹ The initial cease and desist order dated 4/5/12 named Bell and Be’Rio Transports LLC as the two parties to this proceeding. This amended cease and desist order names Bell as the only party and indicates that Bell does business under the assumed business name of Be’Rio Transports LLC. Be’Rio Transports LLC, as an Oregon limited liability company, is not a party because it has not existed as a limited liability company since 10/23/09 when it was administratively dissolved by the Oregon Secretary of State, Corporation Division.

Transacted Insurance in Oregon as an Intermediary Without a License

Bell is subject to enforcement action pursuant to ORS 744.053 because of the following circumstances.

ORS 744.053 prohibits a person who is not licensed in Oregon as an insurance producer from selling, soliciting, or negotiating insurance in Oregon.

As indicated above, Bell has never been licensed in Oregon as an insurance producer.

In 2011, Bell maintained websites at www.hoboprince.com and www.be-rio.info. Bell also conducted seminars in Oregon at which Oregon residents attended. At least 11 seminars conducted from 8/31/11 to 12/4/11 were recorded and available for viewing as webinars at the websites. On the websites and at the seminars, Bell described his Hobo Prince Economic Project and solicited persons to participate in the project.

For example, at www.be-rio.info on 11/16/11, Bell described the project by saying “This project includes: ... [the opportunity to participate in the Hobo Prince Economic Project” and “The Hobo Prince Economic Project will help you and your family with \$900.00 per week after withholding taxes, loan payments, and other fees, for 7 years.”

At the seminars, Bell explained that if a person paid Bell a \$25 origination fee then Bell would cause a bank to loan the person \$25,000 to pay the single premium for a \$500,000 insurance policy to be issued by an insurance company, which policy would somehow be used to pay the person \$900.00 per week for seven years.

At the seminars, Bell distributed to the attendees agreements titled “‘Reciprocity Insurance’ Agreement.” The agreements varied some over time. The initial agreement said, in relevant part:

I Shelby H. Bell, through Dashwood Brewer & Phipps LTD, of Lloyd’s of London, (hereinafter referred to as “The Company”), will provide “Business Profit Recovery Insurance” for as many Financial Transactions as possible under a “Reciprocity Insurance Agreement”, with the observer/Client(s) for duration of seven (7) years depending on the policy, and per agreement. Premium is 5% of transaction, and is non-negotiable. Said Transactions will be insured in addition to the private collateral used to cover them. All transactions will be supported and protected through the “I.P.I. Insurance Package” so that if any transaction fails for any reason

the “Reciprocity Insurance” will protect all parties, so as to make them financially whole without question. Initially, under this I.P.I. package transactions up to 1.8 Trillion USD can be covered. Note that a portion of the policies will go to the government to help offset the current financial crisis. Thus, the “I.P.I Insurance” should help stabilize the prevailing economic crisis conditions within the next 24 months.

...

The purpose of this Company, and its endeavors is to take a proactive approach to helping people by way of providing our Clients with a reverse policy where the Client benefits as much as, if not more than, The Company.

The Client therefore understands that the insurance policy is issued by “The Company in good faith”, and with its best efforts....

Once the Client’s paper work has been processed, and all of the Company paperwork is completed, the policy will go into effect by providing the Client with a weekly installment of \$1,373 (\$900 after the loan, taxes, and handling fees ect.)...to help supplement the Client’s income, Not Replace It, so the Client understands that the policy is NOT A LIFETIME INCOME, but rather a financial aid to help prevent loss of any resources. However because of the current economy the policy depends on what happens with the world’s financial conditions, thus the best efforts basis.

The Client understands that there will be a onetime origination fee of 25 USD which the Client must pay to get started in the program, and that this is and will be the only pre-policy expense that the Client will have. The other expense the Client will have to pay is the onetime premium, only after the installment payments to them begin, and the Client must pay the taxes on the installments.

...

The Client understands that The Company [meaning Bell or Be’Rio], through its Bank will finance the 25,000 USD premium payment on behalf of the Client. It will be the Client’s responsibility to repay the loan from the installments, and if, for any reason, the Client fails to do so, the company will pay off the loan. (Capitalization and underlining in original).

At www.be-rio.info on 11/16/11, Bell informed persons that they could pay the \$25 origination fee by one of three options. One option was by cashier’s check or money order made payable to “Be’Rio Transports” and mailed to “PO Box 66837, Portland, OR 97290.”

On 9/11/11, Lloyd’s of London filed a complaint with the Washington Insurance Commissioner saying that Dashwood, Brewer & Phipps Ltd “have not arranged any insurances for [Bell], nor are they aware of any insurances in the process of being arranged.

An unknown number of persons residing in Oregon paid the origination fee to or on behalf of Bell. However, Bell has not paid to such persons the promised weekly benefit of \$900 or any portion thereof.

Order

Pursuant to ORS 731.252, Bell, and any employee, agent, and affiliate of Bell, shall immediately cease and desist from violating ORS 744.053.

Notice of Right to Administrative Hearing and Judicial Review

A party in this proceeding has the right to a hearing pursuant to ORS 183.415. The director has timely received from a party a written request for a hearing. Thus, the party does not need to request a hearing again. The director has referred the request to the Office of Administrative Hearings (OAH). OAH will schedule a hearing and notify the party of the date and location of the hearing and other related information. However, this order will remain in effect until the director or a court of competent jurisdiction orders otherwise.

If a hearing is held, then OAH will conduct the hearing in accordance with the Oregon Administrative Procedures Act, ORS Chapter 183, and related rules, Oregon Administrative Rules (OAR) 137-003-0501 *et seq.* A party that is an individual may represent themselves, or may be represented at a hearing by an attorney licensed in Oregon except as otherwise provided by law. A party that is a corporation, partnership, limited liability company, unincorporated association, trust, or government agency must be represented at a hearing by an attorney licensed in Oregon except as otherwise provided by law. Legal aid organizations may be able to assist a party with limited financial resources. After a hearing, OAH will issue a proposed order and the director will issue a final order.

However, if a party that timely requested a hearing withdraws the request, notifies the director or OAH that the party will not appear at a hearing, or does not appear at a hearing, then a hearing will not be held, this order will become final automatically, and no further order will be issued. The record of this proceeding, including information in the designated portion of the Insurance Division's file and

all materials submitted by the party, will automatically become part of the contested case record for the purpose of proving a *prima facie* case.

If this order becomes final automatically, then 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 or mailing it to the Insurance Division at 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 May 2, 2012

/s/ Louis Savage
Louis Savage
Acting Administrator
Insurance Division
Department of Consumer and Business Services

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