

is 2175 NW Saint Andrews Drive, McMinnville, OR 97128-2485; mailing address is PO Box 273, Lafayette, OR 97127-0273; telephone number is 971-246-2276; fax number is 503-345-8758; and e-mail address is ray@beaconinsuranceservice.com. At all relevant times, Madison conducted insurance business under the assumed business name of Beacon Insurance Services. Madison registered Beacon Insurance Services with the Oregon Secretary of State, Corporation Division on 3/11/09. Beacon Insurance Services was registered, under registration number 585843-93, from 3/11/09 to 3/12/11 when the registration expired and was not renewed.

Failed to Timely Notify Director of Change of Residence and Business Address

Madison, as an insurance producer, is subject to enforcement action pursuant to ORS 744.074(1)(b) for violating ORS 744.068(4)(a) and (c), and as an insurance consultant, is subject to enforcement action pursuant to ORS 744.013(2)(c), for violating ORS 744.028(1), because of the following circumstances.

ORS 744.068(4)(a) requires a person licensed in Oregon as an insurance producer to notify the director of a change of address or telephone number of the principal place of business or any location at which the insurance producer transacts business not later than the 30th day after the date of the change. ORS 744.068(4)(c) requires a person licensed in Oregon as a resident insurance producer to notify the director of a change in residence address not later than the 30th day after the date of the change. Sometime in August 2011, Madison changed his residence and business street address from 433 E 13th Place, Lafayette, OR 97127-9215 to 2175 NW Saint Andrews Drive, McMinnville, OR 97128-2485; and changed his mailing address from PO Box 273, Lafayette, OR 97127-0273 to PO Box 128, Lafayette, OR 97127-0128. Madison was required to notify the director of the changes by at least 10/3/11. On 1/31/12, 120 days late, during an investigation interview with the Insurance Division, Madison notified the director of the changes.

Withheld, Misappropriated or Converted Money Received in Course of Insurance Business

Madison, as an insurance producer, 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. In the following ten instances, Madison withheld, misappropriated, or converted, insurance premium that he received in the course of selling insurance to seven persons residing in Oregon.

1. On or about 3/25/11, Madison received from or on behalf of White Peak Tree Trimming & Excavating, LLC (White Peak), of Gates, Oregon, a check, number 1034, dated 3/25/11, in the amount of \$3,797.60, and made payable to "Beacon Insurance Services." The check was payment of the annual premium for commercial general liability insurance to be provided by Preferred Contractors Insurance Company Risk Retention Group, LLC (PCIC) to White Peak for the period from 4/6/11 to 4/16/12. On an unknown date, Madison deposited the check into an account at Sterling Savings Bank (Sterling). Madison did not bind the insurance, did not request that the insurance become effective, did not pay any of the premium to or on behalf of the insurer, and has not refunded any of the premium to White Peak.

2. On or about 4/22/11, Madison received from or on behalf of Irvington Covenant Community Development Corporation (Irvington Covenant), now known as Constructing Hope Pre-Apprenticeship Program, of Portland, Oregon, a check, number 5803, dated 4/22/11, in the amount of \$1,775.84, and made payable to "Beacon Insurance Services." The check was payment of the annual premium for commercial general liability insurance to be provided by PCIC to Irvington Covenant for the period from 4/22/11 to 4/22/12. On 4/25/11, Madison deposited the check into an account at Sterling. Madison did not bind the insurance, did not request that the insurance become effective, did not pay any of the premium to or on behalf of the insurer, and has not refunded any of the premium to Irvington Covenant.

3. On or about 7/31/11, Madison received from or on behalf of Craig V. Hansen (Hansen) dba Chicken N Cheers, of Klamath Falls, Oregon, a check, number 9274, dated 7/31/11, in the amount of \$7,353.21, and made payable to "Beacon [Insurance

Services].” Of the amount of the check, \$6,938.78 was payment of the annual premiums for liquor liability insurance, policy number HSSL-10176 to be issued by Hudson Specialty Insurance Company, and commercial general liability insurance, policy number OL-5100, to be issued by a certain underwriters at Lloyd’s, London, to be provided to Hansen for the period from 8/7/11 to 8/7/12. On or about 8/3/11, Madison negotiated the check and deposited it into an account at an unknown financial organization that was not an insurance premium trust account. Madison did not bind the insurance, did not request that the insurance become effective, and did not pay any of the premium to or on behalf of the insurer. On or about 1/18/13, after Hansen filed on or about 5/23/12 a civil action to recover the amount paid by Hansen to Madison, Madison repaid Hansen.

4. On or about 12/7/11, General Fire Equipment Company of Eastern Oregon, Inc. (General Fire) of Baker City, Oregon issued a check, number 2883, dated 12/7/11, in the amount of \$3,676.15, and made payable to “Beacon Ins[urance Services].” The check was payment of the annual premium for commercial general liability insurance to be provided by PCIC to General Fire for the period from 12/5/11 to 12/5/12. On an unknown date, Madison deposited the check into an account at an unknown financial organization. Madison did not bind the insurance, did not request that the insurance become effective, did not pay any of the premium to or on behalf of the insurer, and has not refunded any of the premium to General Fire.

5. On or about 3/28/12, Madison received from or on behalf of Westec Builders, Inc. dba Westec Windows (Westec Builders), of West Linn, Oregon, a check, number 1236, dated 3/28/12, in the amount of \$13,005.07, and made payable to “Beacon Insurance Services.” Of the amount of the check, \$6,685.07 was payment of the annual premium for commercial general liability insurance to be provided by United Specialty Insurance Company (USIC) to Westec Builders for the period from 3/31/12 to 3/31/13. On an unknown date, Madison deposited the check into an account at JPMorgan Chase Bank, N.A., doing business as Chase (Chase). Madison did not bind the insurance, did not request that the insurance become effective, did

not pay any of the premium to or on behalf of USIC, and has not refunded any of the premium to Westec Builders.

6. On or about 4/16/12, Madison received from or on behalf of Alexander Gutter & Siding, LLC (Alexander Gutter) of Carlton, Oregon, a check, number 2389, dated 4/16/12, in the amount of \$3,289.50, and made payable to "Beacon Insurance." The check was payment of the annual premium for commercial general liability insurance to be provided by PCIC to Alexander Gutter for the period from 5/3/12 to 5/3/13. On or about 4/18/12, Madison deposited the check into an account at Chase. Madison did not bind the insurance, did not request that the insurance become effective, did not pay any of the premium to or on behalf of PCIC, and has not refunded any of the premium it to Alexander Gutter.

7. On or about 4/18/12, Madison received from or on behalf of Irvington Covenant, a check, number 6269, dated 4/18/12, in the amount of \$1,775.84, and made payable to "Beacon Insurance Services." The check was payment of the annual premium for commercial general liability insurance to be provided by PCIC to Irvington Covenant for the period from 4/22/12 to 4/22/13. On 4/19/12, Madison deposited the check into an account at Chase. Madison did not bind the insurance, did not request that the insurance become effective, did not pay any of the premium to or on behalf of PCIC, and has not refunded any of the premium to Irvington Covenant.

8. On or about 10/14/12, Madison received from or on behalf of A 1 Gutter Getters, LLC (A 1 Gutter) of Scappoose, Oregon, a check, number 1868, dated 10/14/12, in the amount of \$2,267.92, and made payable to "Beacon Insurance." The check was payment of the annual premium for commercial general liability insurance to be provided by PCIC to A 1 Gutter for the period from 10/14/12 to 10/14/13. On or about 10/16/12, Madison deposited the check into an account at Chase. Madison did not bind the insurance, did not request that the insurance become effective, did not pay any of the premium to or on behalf of PCIC, and has not refunded any of the premium to A 1 Gutter.

9. On 11/26/12, General Fire issued a check, number 9711, dated 11/26/12, in the amount of \$4,988.11, and made payable to "Beacon Insurance." The check was payment of the annual premium for the renewal of commercial general liability insurance to be provided by PCIC to General Fire for the period from 12/5/12 to 12/5/13. On an unknown date, Madison deposited the check into an account at Chase. Madison did not bind the insurance, did not request that the insurance become effective, did not pay any of the premium to or on behalf of PCIC, and has not refunded any of the premium to General Fire.

10. On or about 1/18/13, Madison received from or on behalf of White Peak a check, number 1026, dated 1/18/13, in the amount of \$2,575.60, and made payable to "Ray Madison." The check was payment of the annual premium for commercial general liability insurance to be provided by PCIC to White Peak for the period from 4/16/13 to 4/16/14. On an unknown date, Madison deposited the check into an account at Chase. Madison did not bind the insurance, did not request that the insurance become effective, did not pay any of the premium to or on behalf of PCIC, and has not refunded any of the premium to White Peak.

Used a Dishonest Practice in Insurance Business

Madison, as an insurance producer, is subject to enforcement action pursuant to ORS 744.074(1)(h) because of the following circumstances. ORS 744.074(1)(h) 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 used a fraudulent, coercive, or dishonest practice, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in Oregon or elsewhere. In the following three instances, Madison engaged in a dishonest practice in the course of conducting insurance business in Oregon by misappropriating or converting insurance premium that he received in the course of selling insurance to one person residing in Washington.

1. On 4/7/11, Madison received from or on behalf of Apex Roofing & Construction, Inc. dba Apex Roofing & Solar (Apex Roofing) of Camas, Washington, a check, number 1885, dated 4/7/11, in the amount of \$5,216.84, and made payable

to "Beacon Insurance Service." The check was payment of the annual premium for commercial general liability insurance to be provided by PCIC to Apex Roofing for the period from 5/6/11 to 5/6/12. On or about 4/7/11, Madison deposited the check into an account at Sterling. Madison did not bind the insurance, did not request that it become effective, did not pay any of the premium to or on behalf of the insurer, and has not refunded any of the premium to Apex Roofing.

2. On 2/28/12, Madison received from or on behalf of Apex Roofing, a check, number 2534, dated 2/28/12, in the amount of \$5,886.02, and made payable to "Beacon Insurance Service." Of the amount of the check, \$5,016.02 was payment of the annual premium for commercial general liability insurance to be provided by PCIC to Apex Roofing for the period from 5/6/12 to 5/6/13. On or about 2/28/12, Madison deposited the check into an account at Chase. Madison did not bind the insurance, did not request that it become effective, did not pay any of the premium to or on behalf of the insurer, and has not refunded any of the premium to Apex Roofing.

3. On 1/16/13, Madison received from or on behalf of Apex Roofing, a check, number 3257, dated 1/16/13, in the amount of \$4,980.11, and made payable to "Ray Madison." The check was payment of the annual premium for commercial general liability insurance to be provided by PCIC to Apex Roofing for the period from 5/6/13 to 5/6/14. On or about 1/16/13, Madison deposited the check into an account at an unknown financial organization. Madison did not bind the insurance, did not request that it become effective, did not pay any of the premium to or on behalf of the insurer, and has not refunded any of the premium to Apex Roofing.

Failed to Deposit Insurance Premium into Trust Account

Madison, as an insurance producer, is subject to enforcement action pursuant to ORS 744.083(1) because of the following circumstances. ORS 744.083(1) requires a person that is licensed in Oregon as an insurance producer to account for and maintain in a trust account all premium received by the person. On 7/31/11, Madison received from or on behalf of Hansen a check, as payment of premium for insurance, as described above. On or about 8/3/11, Madison deposited the check into

his personal or business bank account that was not an insurance premium trust account.

Used a Dishonest Practice in Insurance Business

Madison, as an insurance producer, is subject to enforcement action pursuant to ORS 744.074(1)(h) because of the following circumstances. ORS 744.074(1)(h) 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 used a fraudulent, coercive, or dishonest practice, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in Oregon or elsewhere. In the following 29 instances, Madison used a dishonest practice in the conduct of insurance business by sending to a state government agency that regulated, or private business entity engaged in, the construction industry, a certificate of insurance that falsely represented that the insured was insured by the insurer during the period specified therein. The certificate was false because the insurer had not issued, or authorized anyone to bind, the policy, or any other policy, insuring the person during the period specified. Madison knew or should have known that the certificate was false because Madison had not requested that the policy be bound or issued, or had not forwarded to or on behalf of the insurer any of the premium that Madison had received from the insured, or both.

1. On 3/3/10, Madison filed with the State of Oregon Construction Contractors Board (CCB) a certificate of insurance representing that Brandon A. Duff dba Brandon A. Duff Construction (Duff) was insured by PCIC under policy number PCIC5026-PCA6664 from 3/4/10 to 3/4/11.

2. On 2/18/11, Madison filed with CCB a certificate of insurance representing that I.C.C., Inc. was insured by United Specialty Insurance Company (USIC) under policy number SIG2500243-00, from 2/16/12 to 2/16/13.

3. On 4/18/11, Madison filed with CCB a certificate of insurance representing that White Peak was insured by PCIC under policy number PC70572 from 4/16/11 to 4/16/12.

4. On 4/22/11, Madison filed with CCB a certificate of insurance representing that Ben Walsh Company dba Green One Construction Services (Walsh) was insured by PCIC under policy number "Binder" from 4/22/11 to 4/22/12.

5. On 5/2/11, Madison filed with CCB a certificate of insurance representing that Irvington Covenant was insured by PCIC under policy number PCIC5026-PCA66619 from 4/22/11 to 4/22/12.

6. On 5/9/11, Madison filed with CCB a certificate of insurance representing that Apex Roofing was insured by PCIC under policy number PC75284 from 5/6/11 to 5/6/12.

7. On 6/23/11, Madison filed with CCB a certificate of insurance representing that Advanced Exteriors & Construction, LLC (Advanced Exteriors) was insured by PCIC under policy number PCA778521 from 5/20/11 to 5/20/12.

8. On 12/5/11, Madison filed with CCB a certificate of insurance representing that General Fire was insured by PCIC under "binder" from 12/5/11 to 12/5/12.

9. On 2/27/12, Madison filed with CCB a certificate of insurance representing that General Fire was insured by PCIC under policy number PCIC193322712 from 12/5/11 to 12/5/12.

10. On 3/2/12, Madison filed with CCB a certificate of insurance representing that Custom Components Northwest, LLC was insured by USIC under policy number SIG 0001760-00 from 2/29/12 to 2/28/13.

11. On 3/18/12, Madison filed with the State of Idaho Bureau of Occupational Licenses a certificate of insurance representing that General Fire was insured by PCIC under policy number PCIC193322712 from 12/5/11 to 12/5/12.

12. On 5/4/12, Madison filed with CCB a certificate of insurance representing that Walsh was insured by PCIC under policy number PCIC-PCA 13217731 from 4/22/12 to 4/22/13.

13. On 5/4/12, Madison filed with CCB a certificate of insurance representing that Westec Builders was insured by USIC under policy number SIG 0000529-2 from 5/1/12 to 5/1/13.

14. On 5/7/12, Madison filed with CCB a certificate of insurance representing that Alexander Gutter was insured by PCIC under policy number PC735372, from 5/3/12 to 5/3/13.

15. On 5/7/12, Madison filed with CCB a certificate of insurance representing that Apex Roofing was insured by PCIC under policy number PC75284-2 from 5/6/12 to 5/6/13.

16. On 5/22/12, Madison filed with Wayne Patty dba Wayne Patty Construction, of McMinnville, Oregon, a certificate of insurance representing that Alexander Gutter was insured by PCIC under policy number PC735372, from 5/3/12 to 5/3/13.

17. On 5/30/12, Madison filed with TBH2, LLC, of Sherwood, Oregon, a certificate of insurance representing that Alexander Gutter was insured by PCIC under policy number PC735372 from 5/3/12 to 5/3/13.

18. On 5/30/12, Madison filed with R ROC, LLC of Sherwood, Oregon a certificate of insurance representing that Alexander Gutter was insured by PCIC under policy number PC735372 from 5/3/12 to 5/3/13.

19. On 6/2/12, Madison filed with Premier Home Builders, Inc., of McMinnville, Oregon, a certificate of insurance representing that Alexander Gutter was insured by PCIC under policy number PC735372 from 5/3/12 to 5/3/13.

20. On 7/10/12, Madison filed with CCB a certificate of insurance representing that Advanced Exteriors was insured by PCIC under policy number PC0005152-00 from 6/19/12 to 6/19/13.

21. On 10/17/12, Madison filed with CCB a certificate of insurance representing that A 1 Gutter was insured by PCIC under policy number PC73260-04 from 10/14/12 to 10/14/13.

22. On 12/5/12, Madison filed with CCB a certificate of insurance representing that General Fire was insured by PCIC under policy number PCIC316205, from 12/5/12 to 12/5/13.

23. On 1/4/13, Madison filed with Captive Aire, of Vancouver, Washington, a certificate of insurance representing that General Fire was insured by PCIC under policy number PCIC193322712 from 12/5/11 to 12/5/12.

24. On 1/15/13, Madison filed with Yamhill Community Development Corporation. dba Community Home Builders, of McMinnville, Oregon, and Carol Olsen, relative to a construction project at 1135 E 11th Street, Lafayette, Oregon, a certificate of insurance dated 1/10/13 representing that Alexander Gutter was insured by PCIC under policy number PC735372 from 5/3/12 to 5/3/13.

25. On 1/15/13, Madison filed with Yamhill Community Development Corporation dba Community Home Builders, of McMinnville, Oregon, and Domingo Aranda, relative to a construction project at 1115 E 11th Street, Lafayette, Oregon, a certificate of insurance dated 1/10/13 representing that Alexander Gutter was insured by PCIC under policy number PC735372 from 5/3/12 to 5/3/13.

26. On 1/15/13, Madison filed with Yamhill Community Development Corporation. dba Community Home Builders, of McMinnville, Oregon, and Domingo Aranda, relative to a construction project at 1011 E 9th Street, Lafayette, Oregon, a certificate of insurance dated 1/10/13 representing that Alexander Gutter was insured by PCIC under policy number PC735372 from 5/3/12 to 5/3/13.

27. On 1/15/13, Madison filed with Yamhill Community Development Corporation. dba Community Home Builders, of McMinnville, Oregon, and David and Judy Sorensen, relative to a construction project at 1125 E 11th Street, Lafayette, Oregon, a certificate of insurance dated 1/10/13 representing that Alexander Gutter was insured by PCIC under policy number PC735372 from 5/3/12 to 5/3/13.

28. On 1/15/13, Madison filed with Yamhill Community Development Corporation. dba Community Home Builders, of McMinnville, Oregon, and Deborah Mayo, relative to a construction project at 1043 E 11th Street, Lafayette, Oregon, a certificate of insurance dated 1/10/13 representing that Alexander Gutter was insured by PCIC under policy number PC735372 from 5/3/12 to 5/3/13.

29. On 2/15/13, Madison filed with Minnesota Conway Fire & Safety, of St. Paul, Minnesota, a certificate of insurance representing that General Fire was insured by PCIC under policy number PCIC193322712 from 12/5/11 to 12/5/12.

Transacted Insurance in Oregon as an Intermediary Without a License

Madison, as an insurance producer, 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. On 9/30/12, Madison's Oregon individual resident insurance producer license expired. On 11/26/12, Madison solicited General Fire to purchase the renewal of commercial general liability insurance to be provided by PCIC to General Fire for the period from 12/5/12 to 12/5/13.

Failed to Respond or Truthfully Respond to Director's Inquiry

Madison, as an insurance producer and insurance consultant, is subject to enforcement action pursuant to ORS 744.074(1)(b) and ORS 744.013(2)(c) for violating ORS 731.296 because of the following circumstances. 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. In the following four instances, Madison responded but responded untruthfully, responded but responded late and incompletely, or failed to respond at all. At all relevant times, Madison was licensed in Oregon either both as an insurance producer and an insurance consultant, or only as an insurance consultant.

1. On 7/31/11, Madison received from or on behalf of Hansen a check, as payment of premium for insurance, as described above. On or about 8/3/11, Madison deposited the check into his personal or business bank account that was not an insurance premium trust account. However, on 1/31/12 and again on 3/17/12, during investigatory interviews with the Insurance Division, the latter of which was under oath, Madison stated that he deposited the check into his insurance premium trust account.

2. On 3/7/12, during an investigatory interview of Madison by the Insurance Division, the Insurance Division requested Madison provide certain information to the Insurance Division by 4/9/12. On 3/18/12, the Insurance Division sent an e-mail to Madison at his last recorded business e-mail address of ray@beaconinsruanceservice.com confirming the request for the information. On 4/24/12, when the Insurance Division had not received any of the requested information, the Insurance Division sent another e-mail to Madison continuing to request the information. The Insurance Division has not received from or on behalf of Madison the requested information.

3. On 2/28/13, the Insurance Division mailed by first class and certified mail a letter dated 2/28/13 to Madison at his last recorded residence address of 433 E 13th Place, Lafayette, OR 97127-9215, and business mailing address of PO Box 273, Lafayette, OR 97127-0273. On 3/1/13, the Insurance Division also e-mailed the letter to Madison. The letter requested Madison to provide certain information to the Insurance Division within 21 days after receiving the letter. On 3/11/13, Madison signed for the letter mailed by certified mail. Thus, Madison was required to provide the information to the Insurance Division by at least 4/1/13. The Insurance Division did not receive any of the letters or e-mail returned as undelivered. The Insurance Division has not received from or on behalf of Madison the requested information.

4. On 6/20/13, the Insurance Division sent an e-mail to Madison and his attorney attaching a letter dated 6/20/13. The letter requested Madison to provide certain information to the Insurance Division by 7/1/13. On 6/20/13, Madison received the e-mail. On 7/2/13, when the Insurance Division had not received any of the requested information, the Insurance Division sent an e-mail to Madison and his attorney continuing to request the information. On 7/3/13, the Insurance Division received from Madison's attorney an e-mail providing some, but not all, of the requested information. On 7/3/13, the Insurance Division sent another e-mail to Madison and his attorney explaining which information Madison had not provided and continuing to request the remainder of the information. On 7/16/13, when the

Insurance Division had not received the reminder of the information, the Insurance Division sent another e-mail to Madison and his attorney continuing to request the information. On 7/17/13, the Insurance Division received from Madison's attorney an e-mail saying in part that "Mr. Madison has [provided to me] some of the information [but] is still obtaining a few of the final pieces." On 7/24/13, when the Insurance Division had not received the reminder of the information, the Insurance Division sent another e-mail to Madison and his attorney continuing to request the information. On 7/27/13, 26 days late, the Insurance Division received from Madison's attorney an e-mail providing most, but not all, of the requested information, and indicating that Madison could not locate some of the information.

Action

Pursuant to ORS 744.074(1), Madison's expired Oregon resident individual insurance producer and currently active Oregon resident individual insurance consultant licenses are revoked on the date of this order.

By 3/1/15, Madison shall make restitution to the following seven persons by repaying each person in the sequence listed the specified amount.¹

<u>Person</u>	<u>Amount</u>
White Peak Tree Trimming & Excavating, LLC	\$3,797.60
Apex Roofing & Construction, Inc.	\$5,216.84
Irvington Covenant Community Development Corporation	\$1,775.84
General Fire Equipment Company of Eastern Oregon, Inc.	\$3,676.15
Apex Roofing & Construction, Inc.	\$5,016.02
Westec Builders, Inc.	\$6,685.07
Alexander Gutter & Siding, LLC	\$3,289.50
Irvington Covenant Community Development Corporation	\$1,775.84
A 1 Gutter Getters, LLC	\$2,267.92
General Fire Equipment Company of Eastern Oregon, Inc.	\$4,988.11
Apex Roofing & Construction, Inc.	\$4,980.11
White Peak Tree Trimming & Excavating, LLC	<u>\$2,575.60</u>
Total	\$46,044.60

In each instance, Madison shall obtain a cashier's check, or other form of prepaid or guaranteed payment, in the specified amount. The check shall list the name of the person and if possible also the person's mailing address. Madison shall deliver,

¹ The sequence is determined by the date that the person paid the amount to Madison.

or mail by US Postal Service certified or registered mail, or by some other form of traceable letter delivery service, the check to the person. Madison shall keep a record of when and how the check was delivered or mailed to the person. Madison shall make a photocopy of the check and any mailing receipt, and mail or e-mail the copy of the check and receipt to the director within one day after the date Madison delivers or mails the check to the person.

If Madison complies with the final order, then the director will not assess Madison any civil penalty for the violations described herein pursuant to ORS 731.988 and will not refer this case to a District Attorney for criminal prosecution pursuant to ORS 731.256(2). However, if Madison does not comply with the final order, and the director does excuse any noncompliance, or otherwise waive or modify any requirement of the final order, then the director will commence a separate administrative proceeding to assess Madison a civil penalty in the amount of up to \$96,044.60, less any amount that Madison paid to the seven persons listed above, and will refer this case to a District Attorney for criminal prosecution.

Madison 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 9-13-2013 Raymond W Madison
Raymond W. Madison

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 SEP 19 2013 [Signature]
Laura N. Cali, FCAS, MAAA
Insurance Commissioner and Chief Actuary