

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

In the Matter of **Donny Tran**) **STIPULATION and**
) **FINAL ORDER**
) Case No. INS 13-08-003

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director) , by an through the Insurance Division, commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Donny Tran (Tran).

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

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

Tran agrees with the facts, conclusions, action stated below, and to the issuance of a final order incorporating this stipulation.

Tran understands that the stipulation and final order is a public record and shall be posted permanently on the Insurance Division's website.

Facts and Conclusions

Licensing Information

Tran has been licensed in Oregon as a resident individual insurance producer since 1/8/07. Tran's license is scheduled to expire on 1/31/15. Tran's NAIC national producer number is 8954255. Tran's last recorded residence and business address is 20078 SW 57th Terrace, Tualatin, OR 97062-6866; telephone number is 971-259-8777; and e-mail address is anhdonny@gmail.com.

Used a Dishonest Practice in Business

Tran 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. Sometime in August 2011, various insuring subsidiaries of Safeco Corporation, collectively conducting business as Safeco Insurance™, terminated their appointment of Tran and his agency Budget Insurance, Inc. dba Budget Insurance Agency. Sometime in August 2011, Safeco Insurance™ sent to Tran a letter notifying him of the termination. The termination was effective on 8/29/11. On 8/25/11 @ 12:16 PM, Tran completed or helped complete or directed another person to complete an Acord® “Agent/Broker of Record Change” form dated 12/22/11. The form stated in part “[p]lease be advised that we wish to name Maria Tran 03-0905 (code) as our exclusive representative effective 12/23/11 for the lines of business shown above, currently in force or submitted by application.” The form was dated 12/22/11. The form indicated that the named insured was Mei Ling Chan (Chan) of Clackamas, Oregon, and the policies were an automobile insurance policy, number P5460582, effective from 1/14/11 to 7/14/11; and a home insurance policy, number OP5859767, effective from 7/14/10 to 7/14/11. The form was signed “Mei Chan” purportedly on 8/23/11. Tran or someone at his direction signed Chan’s name on the form. Tran or someone at his direction faxed the completed form to Maria Tran (M. Tran) dba All American Insurance. On 12/23/11 @ 4:21 PM, M. Tran faxed the form to Safeco Insurance™. Chan did not sign the form or authorize Tran or another person to sign the form. Change did not authorize Tran or another person to complete the form or send the form to Tran or Safeco Insurance™ or otherwise change the agent of record. Previously, Chan had received from Safeco Insurance™ a letter informing her that Tran and Budget Insurance no longer represented Safeco Insurance™. On 12/19/11, Chan went to another insurance agency and signed an “Agent of Record Change Request” for not only the auto and home policies, but also for a earthquake policy, all issued by Safeco Insurance™. Chan signed her name as “Mei Ling Chan,” not “Mei Chan.” On 12/29/11, Safeco Insurance™ notified the

other agency that Safeco Insurance™ had received the form dated 12/22/11 on 12/23/11. Also on 12/29/11, the other agency contacted Chan. Chan confirmed that she had signed only the forms dated 12/19/11. Also on 12/29/11, the other agency contacted Safeco Insurance™ and informed it that Chan had indicated that she did not sign the form dated 12/22/11. Safeco Insurance™ told the other agency that the signature of Chan on the about the form dated 12/22/11 did not match the signature on the forms dated 12/19/11. Also on 12/29/11, Chan went to the other agency and signed new forms designating the other agency as the agent of record. Chan signed her name again as “Mei Ling Chan,” not “Mei Chan.”

Failed to Notify Director of Change of Business Address or Telephone Number

Tran is subject to enforcement action pursuant to ORS 744.074(1)(b) for violating ORS 744.068(4)(a). 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 violates any insurance law, or violates any rule, subpoena, or order of the director or of the insurance regulator of another state or Mexico or Canada. 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.

Sometime in 2010 or 2011, Tran changed his business street address from 8943 SE Division Street, Portland, OR 97266-1447 to 3202 SE 82nd Avenue, Portland, OR 97266-2004, and his business telephone number from 503-442-6161 to 503-445-4595. Tran was required to notify the director of the changes by at least 1/31/12. On 7/8/13, at the request of the director during an investigation of Tran, Tran notified the director of the changes.

On 8/1/13, Tran changed his business street address from 3202 SE 82nd Avenue, Portland, OR 97266-2004 to 550 N 1st Street, Woodburn, OR 97071-3930. Tran was required to notify the director of the changes by 9/3/13. On 10/22/13, at the request

of the director during an investigation of Tran, Tran notified the director of the change.

On 10/15/13, Tran changed his business street address from 550 N 1st Street, Woodburn, OR 97071-3930 to 20078 SW 57th Terrace, Tualatin, OR 97062-6866; and his business telephone number from 503-445-4595 to 971-259-8777. Tran was required to notify the director of the changes by 11/14/13. On 11/25/13, at the request of the director during an investigation of Tran, Tran notified the director of the changes.

Failed to Timely Respond to Director's Inquiry

Tran is subject to enforcement action pursuant to ORS 744.074(1)(b) for violating 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 violates any insurance law, or violates any rule, subpoena, or order of the director or of the insurance regulator of another state or Mexico or Canada. 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. At all relevant times, Tran was licensed in Oregon as an insurance producer. On 5/2/13, the director mailed by certified mail a letter dated 5/2/13 to Tran at his last recorded residence address of 20078 SW 57th Terrace, Tualatin, OR 97062-6866. The letter requested Tran to provide to the director certain information by 5/23/13. Tran did not claim the letter and did not provide the requested information by the due date. On 7/11/13, the director sent an e-mail to Tran requesting the information previously requested as well as additional information. On 7/22/13, 60 days late, Tran sent an e-mail to the director providing the requested information.

Action

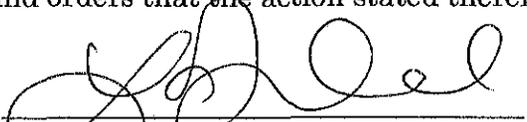
Pursuant to ORS 731.988(1), Tran is assessed a civil penalty of \$2,100.00. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered or mailed to the Insurance Division at the Labor and Industries 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. The payment shall be received by the Insurance Division by 5/1/14.

Dated 3/2/2014 
Donny Tran

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 MAR 11 2014 
Laura N. Cali, FCAS, MAAA
Insurance Commissioner and Chief Actuary