

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

In the Matter of **James E. Butler** ) **STIPULATION and**  
 ) **FINAL ORDER**  
 ) Case No. INS 14-03-003

**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 James E. Butler (Butler).

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

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

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

Butler 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

Butler was licensed in Oregon as a resident individual insurance producer from 6/6/08 to 10/30/12. Butler's NAIC national producer number is 10692960. Butler's last recorded residence address is 3792 Emerald Street, Eugene, OR 97405-4398, and telephone number is 541-513-3489.

Administrative Action by State Insurance Regulator

Butler is subject to enforcement action pursuant to ORS 744.074(1)(i). ORS 744.074(1)(i) 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 any state insurance regulator canceled, revoked, suspended, or refused to renew, the person's license in that state as an insurance producer, adjuster or consultant. On 10/30/12, the director issued an order, case number INS 12-09-006, revoking Butler's previous Oregon resident individual insurance producer license for violating ORS 744.068(4)(a) & (c), ORS 744.089(2), ORS 744.074(1)(f), and ORS 731.296.

#### Request for Another License

On 9/29/13, the director received from Butler an undated letter asking if the director would issue Butler another license and explaining that he was raised by his grandparents, his uncle was like a father to him, sometime between 2008 and 2011 he was devastated when his uncle died, he lost interest in everything including the "love of his life" and his work, he turned to alcohol and drugs, was convicted of drug possession in late 2011, but since then has turn his life around through Alcoholics Anonymous, and has been sober for "almost a year."

#### **Action**

Pursuant to ORS 744.074(1), Butler may be issued an Oregon resident individual insurance producer license for the classes of life and health insurance if Butler meets all of the qualifications for the license pursuant to ORS 744.059. If a license is issued, the license shall be subject to probation for two years from the date the license is issued. During the period of probation, Butler shall comply with the following conditions:

1. Butler shall not be issued any other license, or endorsement thereon, or a license for any other class of insurance, authorized by ORS Chapter 744, or ORS 735.500 to ORS 735.495.

2. Butler shall not transact or attempt to transact any business on behalf of (1) an unauthorized insurer as defined in ORS 731.066(2), (2) a nonadmitted insurer as defined in ORS 735.400(10), (3) risk purchasing group as defined in ORS 735.305(10) or risk retention group as defined in ORS 735.305(11), (4) a fraternal benefit society as described in ORS Chapter 748, (5) a multiple employer welfare arrangement as defined in ORS 750.301, (6) a legal expense organization as

defined in ORS 750.505(1), or (7) a service contract obligor as defined in ORS 646A.152(2) or service contract seller as defined in ORS 646A.152(6).

3. Butler shall be appointed, in writing, by each insurer for whom Butler acts as an agent pursuant to ORS 744.078(1)(a). For purposes of this order, Butler acts as an agent for an insurer when Butler transacts insurance, as defined in ORS 731.146(1), relative to insurance defined in ORS 731.102 to be provided, or is provided, by an authorized insurer as defined in ORS 731.066(1), relative to a domestic risk as defined in ORS 731.086. Butler shall not transact insurance without being appointed by an insurer as otherwise permitted by ORS 744.078(1)(b), Oregon Administrative Rules (OAR) 836-071-0287, OAR 836-071-0295, and OAR 836-071-0297.

4. If Butler is appointed by an insurer, and the insurer terminates the appointment pursuant to ORS 744.079 or ORS 744.081, then Butler shall send an e-mail to director at [DCBS.INSMAIL@state.or.us](mailto:DCBS.INSMAIL@state.or.us) not later than seven days after the date that Butler receives from the insurer written notice that the insurer terminated the appointment.

5. If Butler is contracted with or employed by, to transact insurance, a person who is licensed in Oregon as an individual or business entity insurance producer, and the person terminates the contract or employment, then Butler shall send an e-mail to director at [DCBS.INSMAIL@state.or.us](mailto:DCBS.INSMAIL@state.or.us) not later than seven days after the date that Butler receives from the person oral or written notice that the person terminated the contract with or employment of Butler.

6. Butler shall not receive payment of the premium for insurance by cash, or by check that is made payable to any person other than the insurer that will provide or is providing the insurance.

7. Butler may be compensated for transacting insurance only by wage, salary, or commission pursuant to ORS 744.076(2). Butler shall not charge or receive any fee for transacting insurance as otherwise permitted by ORS 744.091, ORS 744.093, OAR 836-071-0267, or OAR 836-071-0269 to OAR 836-071-0277.

8. Butler shall comply with all applicable requirements in the Insurance Code, and related administrative rules, including but not limited to ORS 731.296, ORS 744.068, ORS 744.089, ORS 746.045, ORS 746.600 to ORS 746.690, OAR 836-020-0200 to OAR 836-020-0295, OAR 836-020-0300 to OAR 836-020-0305, OAR 836-080-0001 to OAR 836-080-043, and OAR 836-080-0090, OAR 836-080-0160, and OAR 836-080-0165 to OAR 836-080-0190.

9. Butler shall send an e-mail to the director at [DCBS.INSMAIL@state.or.us](mailto:DCBS.INSMAIL@state.or.us) by the fifth day of each month the following information:

a. Butler's residence address, telephone number, and personal e-mail address if any.

b. Butlers' business address, telephone number, and business e-mail address if any.

c. The name of each insurer that Butler is appointed by, and the effective date of the appointment.

d. The name of each person that Butler is contracted with or employed by to transact insurance, and the effective date the contract or employment.

e. A list of the name of each person to whom Butler has sold, or assisted selling, insurance to during the immediately preceding month, the type of insurance sold, the name of the insurer providing the insurance, and the policy number. If Butler assisted selling insurance to a person, then also the name of the person that sold the insurance.

f. Whether Butler has been charged or convicted of committing any crime in any jurisdiction, other than a traffic violation, and if so then providing a copy the charging or convicting document.

g. A statement that Butler complied with the conditions of probation listed above during the immediately preceding month.

If Butler fails to comply with any condition of probation during the probation period, and the director does not excuse any noncompliance or otherwise waive or modify any requirement of this order, then the director will commence a separate

administrative proceeding to take action against Butler for violating  
ORS 744.074(1)(b) by failing comply with this order.

After the period of probation, the probation shall automatically be terminated  
without any further action by the director or Butler unless the director extends the  
period of probation by amending this order or issuing a new order.

Dated 3/27/14 \_\_\_\_\_  
James E. Butler

### 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 APR 03 2014 \_\_\_\_\_  
Laura N. Cali, FCAS, MAAA  
Insurance Commissioner and Chief Actuary

//  
//  
//