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2 STATE OF OREGON
3 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
4 DIVISION OF FINANCIAL REGULATION

4 In the Matter of:

Case No. INS 15-06-031

5 ROBERT E. KERN,

FINAL ORDER

6 Applicant.

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8 On July 17, 2015, the Director of the Oregon Department of Consumer and
9 Business Services (“Director”), by and through the Insurance Division, now known as the
10 Division of Financial Regulation (“Division”), properly served Notice on Robert E. Kern
11 (“Applicant”) that the Director intended to deny Applicant’s nonresident insurance
12 producer license.

13 The Notice offered Applicant an opportunity for a hearing, if requested within 60
14 days. The Notice further informed Applicant that if a hearing was not conducted because
15 Applicant did not timely request a hearing or otherwise defaulted, then the designated
16 portion of the Director’s file and all materials submitted by Applicant in this case would
17 automatically become part of the contested case record for the purpose of proving a prima
18 facie case.

19 The Director did not receive from Applicant a request for a hearing and did not
20 conduct a hearing.

21 The Director finds that the record of this proceeding proves a prima facie case.

22 NOW THEREFORE, after considering the relevant portions of the Division’s file
23 relating to this matter, the Director finds and orders as follows.

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Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 FINDINGS OF FACT

2 The Director FINDS that:

3 1. Applicant applied for a nonresident insurance producer license on or about
4 May 13, 2015. Applicant’s NAIC national producer number is 2883469.

5 2. On or about October 23, 2013, Applicant applied for licensing as a
6 nonresident Life and Accident & Health or Sickness agent in North Carolina.
7 Applicant’s application was denied. The North Carolina Department of Insurance
8 Licensing Supervisor cited Applicant’s problematic past behavior as the reason for the
9 denial.

10 3. On or about April 24, 2011, Applicant was fined \$5,000 and his securities
11 license was suspended for 30 days by FINRA for impersonating a client on a phone call
12 to an insurer to obtain information about the client’s existing annuity. Applicant was not
13 appointed by the insurer at the time of the call.

14 4. On or about November 17, 2011, Applicant was fined \$5,000 and his
15 securities license suspended for 30 days by FINRA for providing an answer key to others
16 for a required Long Term Care exam.

17 5. On or about May 1, 2014, Applicant was fined \$500 by the Ohio Department
18 of Insurance for failing to timely report the proceeding in which the North Carolina
19 Department of Insurance denied Applicant’s license application.

20
21 CONCLUSIONS OF LAW

22 The Director CONCLUDES that:

23 6. Under ORS 744.074(1)(h), the Director may refuse to issue or renew an
24 insurance producer license and may take other actions authorized by the Insurance Code
25 if an applicant is found using fraudulent, coercive or dishonest practices, or
26 demonstrating incompetence, untrustworthiness or financial irresponsibility in the

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1 conduct of business in Oregon or elsewhere.

2 7. Impersonating a client in order to obtain information from an insurer
3 constitutes using fraudulent, coercive or dishonest practices, or demonstrating
4 incompetence, untrustworthiness or financial irresponsibility in the conduct of business.

5 8. Providing an answer key to others for a required Long Term Care exam
6 constitutes using fraudulent, coercive or dishonest practices, or demonstrating
7 incompetence, untrustworthiness or financial irresponsibility in the conduct of business.

8

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ORDER

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Now, therefore, the Director issues the following Orders:

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9. As authorized by ORS 731.252(1), the Director ORDERS Applicant to
CEASE AND DESIST from violating any provision of the Insurance Code or the
administrative rules promulgated thereunder.

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10. The Director, pursuant to ORS 744.074(1)(h), hereby DENIES Applicant's
application for a nonresident insurance producer license.

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11. This Order is a Final Order under ORS 183.310(6)(b). Subject to that
provision, the entry of this Order does not limit other remedies, sanctions, or actions
which may be available to the Director under Oregon Law.

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SO ORDERED this 21st day of March, 2016.

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PATRICK M. ALLEN, Director
Department of Consumer and Business Services

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/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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NOTICE OF RIGHT TO JUDICIAL APPEAL

You are entitled to judicial review of this order in accordance with ORS 183.482.
You may request judicial review by filing a petition with the Court of Appeals in Salem,
Oregon, within 60 days from the date this order is served.

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