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

6 In the Matter of:

Case No. INS-16-0082

7 ROY SPANGLER,

FINAL ORDER TO CEASE AND
DESIST AND ORDER REVOKING
LICENSE, ENTERED BY DEFAULT

8 Respondent.

9 On April 5, 2016, the Director of the Department of Consumer and Business
10 Services (“Director”), by and through the Division of Financial Regulation (“Division”),
11 properly served Notice on Roy Spangler (“Respondent”) that the Director intended to
12 revoke Respondent’s Non-resident Insurance Producer License.

13 The Notice offered Respondent an opportunity for a hearing, if requested within
14 30 days. The Notice further informed Respondent that if a hearing was not conducted
15 because Respondent did not timely request a hearing or otherwise defaulted, then the
16 designated portion of the Director’s file and all materials submitted by Respondent in this
17 case would automatically become part of the contested case record for the purpose of
18 proving a *prima facie* case.

19 The Director did not receive from Respondent 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 The Director makes the following Findings of Fact, Conclusions of Law, Orders,
23 and Notice of Right to Judicial Appeal.

24
25 FINDINGS OF FACT

26 The Director FINDS that:

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



1 1. Respondent had an Oregon Resident Insurance License (“License”), which
2 expired on August 31, 2014. Respondent’s national producer number is 9993967.

3 2. Respondent has not renewed his License.

4 3. Respondent was terminated from Farmers Insurance Group (“Farmers”) for
5 cause on November 14, 2013.

6 4. Farmers conducted an investigation which revealed Respondent had
7 mishandled premiums belonging to Farmers.

8 5. Respondent admitted to misappropriating premium funds by not depositing
9 them into a premium trust account.

10
11 **CONCLUSIONS OF LAW**

12 The Director CONCLUDES that:

13 6. Respondent is subject to enforcement under ORS 744.074(1)(d), which
14 prohibits improperly withholding, misappropriating, or converting any moneys received
15 in the course of doing insurance business, for using premium funds to pay business
16 expenses.

17 7. Respondent violated OAR 836-074-0020(1), which requires that all premium
18 funds be deposited into a premium trust account, by failing to deposit premium funds into
19 a trust account.

20 8. Under ORS 744.074(1)(b), the Director may place a licensee on probation or
21 suspend, revoke or refuse to issue or renew an insurance producer license and may take
22 other actions authorized by the Insurance Code for anyone violating any insurance laws,
23 or violating any rule.

24 9. Under ORS 744.011(1), the expiration of a license or the voluntary surrender
25 of a license shall not deprive the Director of jurisdiction to proceed with any investigation
26 of, or any action or disciplinary proceedings against, the licensee or to revise or render



1 void an order suspending or revoking the license.

2

3 ORDERS

4 Now therefore, the Director issues the following Orders:

5 10. As authorized by ORS 731.252(1), the Director ORDERS Respondent to
6 CEASE AND DESIST from violating any provision of the Oregon Insurance Code or the
7 administrative rules promulgated thereunder.

8 11. The Director, pursuant to ORS 744.074, hereby REVOKES Respondent's
9 Oregon Resident Insurance Producer License.

10

11 SO ORDERED this 6th day of May, 2016 in Salem,
12 Oregon.

13

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

14

15

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

16

17

18 NOTICE OF RIGHT TO JUDICIAL APPEAL

19

20 You are entitled to judicial review of this order in accordance with ORS 183.482.

21

21 You may request judicial review by filing a petition with the Court of Appeals in Salem,
22 Oregon, within 60 days from the date this order is served.

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