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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-16-0114
5 KATELYN M. MALLORY, FINAL ORDER
6 Applicant.

7
8 On March 23, 2016, the Director of the Department of Consumer and Business
9 Services (“Director”), by and through the Division of Financial Regulation (“Division”),
10 formerly the Insurance Division, properly served notice (“Notice”) on Katelyn M.
11 Mallory (“Applicant”) that the Director intended to issue an order denying Applicant’s
12 resident insurance producer license application.

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

24 FINDINGS OF FACT

25 The Director FINDS that:

- 26 1. Applicant applied for a resident insurance producer license on or around

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



1 December 3, 2015.

2 2. Applicant submitted to the Division results from an Oregon Property and
3 Casualty Insurance Producer Exam (“Exam”) administered by PSI Services LLC.

4 3. The Exam date was listed as Sunday, November 15, 2015. PSI Services LLC
5 did not test anyone for Oregon on Sunday, November 15, 2015. The Exam results reveal
6 a combined total of 139 questions answered correctly. However, adding together the
7 number of correctly answered questions by topic totals only 138. PSI Services LLC
8 believes the Exam results provided by Applicant are not legitimate.

9 4. Applicant claims that she took the Exam on November 18, 2015. PSI
10 Services LLC has no record of Applicant taking the Exam on November 18, 2015.

11 5. Applicant has failed to appear for each Exam she scheduled to take with PSI
12 Services LLC.

13 6. On March 23, 2016, the Division properly served notice on Applicant that the
14 Director intended to deny Applicant’s resident insurance producer license application.
15 Applicant had 60 days to timely request a hearing. The Division did not receive a request
16 for hearing from Applicant.

17 **CONCLUSIONS OF LAW**

18 The Director CONCLUDES that:

19 7. Under ORS 731.260, no person shall file with the Director any application
20 known to be false or misleading.

21 8. Under ORS 744.058(1), an individual applying for a resident insurance
22 producer license must pass a written examination.

23 9. Under ORS 744.059(1)(e), before approving an application for a resident
24 insurance producer license, the Director must find that the individual has successfully
25 passed the examination for the lines of authority for which the person has applied.

26 10. Under ORS 744.074(1)(c), the Director may refuse to issue an insurance

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1 producer license and may take other actions authorized by the Insurance Code in lieu
2 thereof or in addition thereto, if an applicant attempts to obtain a license through
3 misrepresentation or fraud.

4 ORDERS

5 Now, therefore, the Director issues the following Orders:

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

9 12. The Director, pursuant to 744.059(1)(e) and ORS 744.074(1)(c), hereby
10 DENIES Applicant's resident insurance producer license application.

11 SO ORDERED this 25th day of May, 2016.

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

14
15 /s/ David Tatman
16 David C. Tatman, Chief of Enforcement
17 Division of Financial Regulation

18 NOTICE OF RIGHT TO JUDICIAL APPEAL

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

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