

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS 16-0270

RANDALL DAVID RUGG,

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

Licensee.

On July 13, 2016, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter the "*Director*"), acting in accordance with the Oregon Revised Statutes ("*ORS*") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750 ("*Insurance Code*") and specifically ORS 744.074, issued Administrative Order No. INS-16-0270, ORDER TO CEASE AND DESIST, NOTICE OF PROPOSED ORDER REVOKING LICENSE AND OPPORTUNITY FOR HEARING (the "*Notice Order*") against Randall David Rugg ("*Licensee*").

On July 14, 2016, the Notice Order was served on Licensee by mailing a certified true copy of the Notice Order to Licensee, via certified United States Mail, postage prepaid and return receipt requested, at 6852 SW Glendwood Ct., Wilsonville, OR 97070 (Article No. 7014 2870 0000 7538 0592), the personal residence identified for Licensee.

On July 14, 2016, a certified true copy of the Notice Order was also mailed to Licensee via first class mail to the address noted above.

Licensee did not timely or properly request a hearing.

In accordance with ORS 183.417(4) and OAR 137-003-0670(3), the Notice Order designated the file of the Oregon Division of Financial Regulation, including all materials submitted by the Licensee, as the record for the purpose of making a prima facie case in the event that the Director entered a final order against the Licensee by default.

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



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

2 Now, therefore, after consideration of the record, the Director issues the following
3 Findings of Fact, Conclusions of Law, and Final Order against Licensee.

4 FINDINGS OF FACT

5 The Director FINDS that:

6 1. Licensee obtained an Oregon Resident Insurance Producer License
7 (“*License*”) on or around August 14, 1991. The License expired on or around April 30,
8 2016 for failure to renew.

9 2. Licensee’s NAIC national producer number is 34385.

10 3. On or around April 9, 2014, the Director, acting through the former Oregon
11 Division of Finance and Corporate Securities, now the Oregon Division of Financial
12 Regulation (collectively the “*Division*”), issued an Order to Cease and Desist, Order
13 Denying Use of Exemptions to the Securities Registration Requirements, Proposed Order
14 Assessing Civil Penalties and Notice of Right to Administrative Hearing (the “*Notice*
15 *Order*”) against Licensee and his company, Rapid Funding Group, Inc., a Corporation of
16 Nevada (“*RFG*”) as related to alleged violations of the Oregon Securities Law.

17 4. The Notice Order alleged that Licensee violated the following provisions of
18 the Oregon Securities Law: ORS 59.055 (offer and sale of unregistered securities in
19 Oregon); ORS 59.165 (sale of securities in Oregon without a valid securities license),
20 and; ORS 59.135(2) (making of untrue statements of material fact or omission of material
21 facts in connection with the purchase or sale of securities).

22 5. Licensee requested a hearing on the Notice Order, and the matter was
23 assigned to an Administrative Law Judge (the “*ALJ*”).

24 6. On December 15, 2015, the Division filed a Motion for Summary
25 Determination with respect to all allegations against Licensee in the Notice Order.

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1 operation of law or upon appeal.

2 14. The Final Order became final by operation of law or on appeal on April 28,
3 2015, the day following the expiration of the appeal deadline.

4 15. Under ORS 183.745(2), and the terms of the Final Order, the \$200,000 civil
5 penalty assessed against Licensee in the Final Order became due and payable to the
6 Director ten days after April 28, 2015, or May 8, 2015.

7 16. The Director may revoke Licensee's License under ORS 744.074(1)(o), on the
8 basis that Licensee has failed to pay any of the \$200,000 in civil penalties assessed in the
9 Final Order when due and payable to the Director.

10 ORDERS

11 Now therefore, the Director issues the following Orders:

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

15 18. As authorized by ORS 744.011 and 744.074, the Director hereby REVOKES
16 Licensee's Resident Insurance Producer License on the basis of ORS 744.074(1)(o).

17 AUTHORITY OF THE DIRECTOR TO SEEK OTHER REMEDIES UNDER
18 OREGON LAW

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

22 SO ORDERED this 8th day of August, 2016 in Salem, Oregon.

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

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

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NOTICE OF RIGHT TO APPEAL

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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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