

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES

Case No. ID-15-0135

In the Matter of:

Bassel Ayoub,

Respondent.

FINAL ORDER TO CEASE AND
DESIST AND ASSESSING CIVIL
PENALTY, ENTERED BY
CONSENT

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (the “*Director*”) has conducted an investigation of certain activities conducted by Bassel Ayoub (“*Respondent*”) and the Director has determined that Respondent has violated provisions of the Oregon Consumer Identity Theft Protection Act, ORS 646A.600 to 646A.628 (the “*Act*”); and

WHEREAS Respondent, without admitting or denying the Findings of Fact or Conclusions of Law stated herein, wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signature subscribed on this Consent Order, Respondent hereby CONSENTS to entry of this Order to Cease and Desist and other sanctions upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is the owner of a building located at 2022 Northwest Division Street, Gresham, Oregon 97030 (the “*Building*”).

2. Oswego Dental Associates, P.C., doing business as Lake Oswego Dental Center (the “*Company*”) is an Oregon company with a principal place of business located

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





1 in Lake Oswego, Oregon. Hadi Nouredine (“*Nouredine*”) is the President of the
2 Company.

3 3. In 2005, Nouredine purchased Lake Oswego Dental Center (“*Lake Oswego*
4 *Dental*”), and as part of that purchase acquired all patient files of Lake Oswego Dental,
5 dating from approximately 1994 to 2005 (the “*Patient Files*”). The Patient Files included
6 information that was personal and confidential in nature, including the names, birth dates,
7 Social Security numbers, credit card information, and medical records of the Lake
8 Oswego Dental patients.

9 4. Beginning in 2010, Nouredine stored some of the Patient Files at the Building
10 owned by Respondent.

11 5. In 2013, Nouredine hired a third-party vendor to remove and destroy the
12 Patient Files being stored at the Building. However, a number of Patient Files were not
13 in fact delivered by Respondent or Nouredine to the shredding company, and instead
14 were left in the Building in an unlocked cabinet.

15 6. The vacant Building was subsequently subject to frequent break-ins.
16 Respondent was aware of the break-ins, but did not take measures to properly secure the
17 Building or the documents being stored therein, including a number of the Patient Files.

18 7. As a result of the break-ins, the Patient Files that had not been destroyed in
19 2013 were strewn about the Building, visible from the inside and outside of the Building,
20 and otherwise publicly displayed for unrestricted viewing or access.

21 8. Upon learning of the Building break-ins, and resulting public display of the
22 Patient Files, Respondent arranged to have the remaining Patient Files shredded or
23 otherwise securely destroyed by a third-party vendor. Neither Respondent nor Nouredine
24 reviewed the Patient Files prior to their destruction to determine the identity of those
25 individuals whose personal information had been publicly displayed.

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1 9. Nouredine completed a search of the electronic files of Lake Oswego Dental,
2 to identify those individuals whose personal information may have been included in the
3 Patient Files that were publicly displayed at the Building.

4 10. In October 2015, Nouredine sent data security breach notification letters to
5 approximately 700 individuals whose information may have been publicly displayed at
6 the Building.

7 CONCLUSIONS OF LAW

8 The Director CONCLUDES that:

9 11. The Patient Files contained “personal information” as defined by ORS
10 646A.602(11), including names, birth dates, social security numbers, and credit card
11 numbers.

12 12. Respondent violated ORS 646A.620(1)(c) by publicly posting or displaying at
13 the Building, or otherwise making available to the public, the Patient Files, which
14 contained unredacted Social Security numbers of one or more Lake Oswego Dental
15 patients.

16 13. Respondent violated ORS 646A.622(1) by failing to develop, implement,
17 and/or maintain reasonable safeguards to protect the security, confidentiality, and
18 integrity of the personal information included in the Patient Files and stored at the
19 Building.

20 14. Pursuant to ORS 646A.624(4)(a), a person who violates or who procures, aids
21 or abets in the violation of the Act may be subject to a civil penalty of not more than
22 \$1,000 for every violation.

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ORDER

Based on the foregoing, the Director issues the following ORDER:

15. In accordance with ORS 646A.624(3), the Director hereby ORDERS Respondent to CEASE AND DESIST from violating the requirements of the Act.

16. As authorized by ORS 646A.624(4)(a), the Director may assess CIVIL PENALTIES in an amount not to exceed \$1,000 per violation against persons who violate the Act. Every violation is a separate offense and, in the case of a continuing violation, each day's continuance is a separate violation, but the maximum penalty for any occurrence shall not exceed \$500,000. ORS 646A.624(4)(b).

17. In accordance with ORS 646A.624(4), the Director ORDERS Respondent to pay \$1,000 (one thousand dollars) for violating ORS 646A.620(1)(c) and \$1,000 (one thousand dollars) for violating ORS 646A.622(1), for a total CIVIL PENALTY of \$2,000 (two thousand dollars).

18. The CIVIL PENALTY in the amount of \$2,000 (two thousand dollars) is immediately due and payable at Respondent's signing of this Consent Order.

19. Entry of this Order in no way limits or prevents further remedies, sanctions, or actions which may be available to the Director under Oregon law to enforce this Order, for violations of this Order, for conduct or actions of Respondent or any other parties that are not covered by this Order, or against any party not addressed in this Order.

SO ORDERED this 31st day of December, 2015 in Salem, Oregon.

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

For: /s/ John Paul Jones, Deputy
David C. Tatman, Administrator
Division of Finance and Corporate Securities

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1 Approved as to form:

2 /s/ Geoffrey B. Silverman
3 Geoffrey B. Silverman, OSB No. 010907
4 Attorney for Respondent
5
6

December 31, 2015
Date

7 CONSENT TO ENTRY OF ORDER BY BASSEL AYOUB

8 I, Bassel Ayoub, state that I am a resident of the State of Oregon, that I have read
9 this Consent Order and that I know and fully understand the contents hereof; that the
10 factual allegations stated herein are true and correct; that I have been represented by
11 counsel in this matter; that I have been advised of the right to a hearing; that I voluntarily
and without any force or duress consent to the entry of this Consent Order, expressly
waiving any right to a hearing in this matter; and that I will fully comply with the terms
and conditions of this Consent Order.

I understand that this Consent Order is a public document.

12
13 /s/ Bassel Ayoub
14 Bassel Ayoub

15 State of Oregon
16 County of Washington

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18 Signed or attested before me on this 31st day of December, 2015 by Bassel
19 Ayoub.

20 /s/ Dalton James Letasi Tuitele
21 Notary Public – State of Oregon
22 Commission No. 943466, Expires 10/8/19
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