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

In the Matter of: JASON D. FERRES, *an individual,* CINDY GILBERT *an individual,* *and* JASON FERRES INSURANCE AGENCY, INC. *an Oregon corporation* Respondents.	Case No. INS-22-0105 ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTIES, AND CONSENT TO ENTRY OF ORDER AS AGAINST JASON D. FERRES AND JASON FERRES INSURANCE AGENCY, INC. ONLY THIS IS A FINAL ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting by and through the Division of Financial Regulation ("Division"), in accordance with Oregon Revised Statutes ("ORS") 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750, and the Oregon Administrative Rules ("OARs") promulgated thereunder ("Oregon Insurance Code"), has determined that Jason D. Ferres ("Ferres") and Jason Ferres Insurance Agency, Inc. ("JFIA") engaged in activities constituting violations of the Oregon Insurance Code.

Ferres and JFIA wish to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the authorized signatures subscribed on this Order, Ferres and JFIA hereby CONSENT to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

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FINDINGS OF FACT

The Director FINDS that:

1. Ferres is licensed as an insurance producer in Oregon. Ferres' license number and National Producer Number (NPN) is 6244850. Ferres is the principal and Designated Licensed Responsible Person (DLRP) of JFIA.

2. Cindy Gilbert ("Gilbert") is Ferres' mother-in-law and is employed by Ferres on a part-time basis. Gilbert is not licensed in Oregon or elsewhere to act as an insurance producer, and upon information and belief Gilbert has never held such a license.

3. JFIA is licensed in Oregon as a resident business entity insurance producer. JFIA's NPN is 16844072.

4. Ferres was appointed as an agent of Farmers Insurance Group ("Farmers") from October of 2019 through September of 2022.

5. On May 13, 2022, at approximately 1:00 PM, a vehicle owned by Ferres was broken into while parked at Ferres' daughter's place of work.

6. Ferres' daughter notified Ferres about the break-in at approximately 1:15 PM.

7. Ferres was not at his office at the time of the break-in. After Ferres was notified of the break-in, he called Gilbert and asked her to look at the Farmers policy covering the vehicle to verify that certain customized stereo equipment stolen in the course of the break-in was covered under the policy.

8. At 1:21 PM on May 13, 2022, Gilbert accessed Ferres' policy on Farmers' computer system using Ferres' user ID. At this time, Gilbert added a policy endorsement to cover the stolen stereo equipment and backdated the coverage to be effective May 10, 2022.

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9. Ferres filed a claim against his Farmers policy for the loss of the stereo equipment. Farmers' claims department interviewed Ferres regarding the claim and, in the course of that interview, disclosed to Ferres that Farmers was aware that the policy endorsement for the stereo equipment had been added on May 13, 2022 and backdated.

10. At the time of his interview with Farmers' claims department, Ferres claimed not to know whether he or Gilbert had added and backdated the policy endorsement. Shortly after the conclusion of this interview, Ferres withdrew his claim.

11. On June 21, 2022, Farmers Distribution Compliance department interviewed Ferres with regard to the claim. In the course of the interview, Ferres denied that he had added the policy endorsement or back-dated it, but admitted that he allowed Gilbert to access Farmers' computer system and make policy changes using his user ID.

12. On June 21, 2022, Farmers Distribution Compliance department interviewed Gilbert with regard to the claim and the backdated policy endorsement. Gilbert admitted that she had added the policy endorsement while she was on the phone with Ferres. Gilbert stated that Ferres had only asked her to look at the policy, but declined to provide a explanation for why she added the endorsement.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

Cease and Desist Authority

13. Under ORS 731.252 (1), because the Director has reason to believe that Respondents have engaged in violations of the Insurance Code, the Director may issue an order to Respondents to cease and desist from violations of ORS 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750.

Unlicensed Insurance Activities

14. Under ORS 744.053, a person may not "sell, solicit or negotiate" insurance in Oregon without an insurance producer license.

15. Gilbert violated ORS 744.053 by using Ferres' user ID to access Farmers computer system and to add the policy endorsement to Ferres' policy without having an active insurance producer license at the time of this transaction.

16. As Gilbert's employer, JFIA violated ORS 744.053 by permitting Gilbert to access Farmers' computer systems and make policy changes using Ferres' user ID while she did not have an active insurance producer license.

17. As DRLP of JFIA, Ferres violated ORS 744.053 by permitting Gilbert to access Farmers' computer systems and make policy changes using his user ID while she did not have an active insurance producer license.

Misrepresentation in Insurance Business

18. Under ORS 746.100, no person may make "a false or fraudulent statement or representation" for purposes of "obtaining a * * * benefit from an insurer."

19. Ferres made "a false or fraudulent statement or representation" for purposes of "obtaining a * * * benefit from an insurer," in violation of ORS 746.100, by filing a claim for loss of the stereo equipment despite the fact that his policy did not include coverage for the stereo equipment.

Incompetence in Insurance Business

20. Under ORS 744.074 (1)(h), the Director may "place a licensee on probation or suspend, revoke or refuse to issue or renew an insurance producer license" if a producer demonstrates "incompetence, untrustworthiness or financial irresponsibility in the conduct of business."

21. Under ORS 744.059 (2)(b), as the DRLP of JFIA, Ferres is responsible for "compliance with the insurance laws and rules of this state."

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22. Ferres demonstrated incompetence in his role as an Oregon insurance producer and as DRLP of JFIA, in violation of ORS 744.074 (1)(h), by permitting Gilbert to use his user ID to access Farmers' computer system and by failing to competently supervise Gilbert.

Civil Penalties Authority

23. Under ORS 731.988 (1) the Director may impose a civil penalty not to exceed $1,000 for each violation of the Insurance Code on any individual insurance producer, adjuster, or insurance consultant, including, but not limited to, violations of ORS 744.074.

ORDERS

Now therefore, the Director issues the following Orders:

Cease and Desist

24. As authorized by ORS 731.252 (1), the Director ORDERS Ferres and JFIA to CEASE AND DESIST from violating ORS 744.053, ORS 746.100 and 744.074 (1)(h).

Civil Penalties

25. As authorized by ORS 731.988 (1), the Director hereby ORDERS that JFIA be subject to a CIVIL PENALTY of $1,000 for violating ORS 744.053 by permitting Gilbert to transact insurance business without an active insurance producer license.

26. As authorized by ORS 731.988 (1), the Director hereby ORDERS that Ferres be subject to a CIVIL PENALTY of $3,000 as follows:

A. $1,000 for violating ORS 744.053 by permitting Gilbert to transact insurance business without an active insurance producer license, as described above in Paragraph 17;

B. $1,000 for violating ORS 746.100 by filing a claim for the lost stereo equipment, as described above in Paragraph 20; and

C. $1,000 for violating ORS 744.074 (1)(h) by failing to competently supervise Gilbert, as described above in Paragraph 23.

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27. The Director hereby SUSPENDS payment of $2,000 of the CIVIL PENALTY imposed on Ferres for a period of three years from the effective date of this Order, provided Ferres complies with this order and commits no new violations of the Insurance Code, or of any rules adopted pursuant to the Insurance Code.

28. The $1,000 non-suspended CIVIL PENALTY assessed herein against Ferres and the $1,000 non-suspended CIVIL PENALTY assessed herein against JFIA is due and payable at the time this Order is returned to the Division.

29. The $2,000 suspended CIVIL PENALTY assessed herein against Ferres will be waived three years from the effective date of this Order, provided Ferres has complied with the forgoing Order terms and does not commit any further violations of the Insurance Code during the three year period. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that Ferres has violated any term of this Order or has committed any further violation of the Insurance Code.

30. Ferres' failure to satisfy any term of this Order will render all suspended and non-suspended penalties immediately due and owing.

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31. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, 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 that are not covered by this Order, or against any party not covered by this Order.

SO ORDERED this 29th day of August, 2023.

Andrew R. Stolfi, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, JASON D. FERRES, state that I have read the foregoing Consent Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Consent Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Consent Order; that I understand that the Director reserves the right to take further actions against me to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Insurance Code by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

/s/ Jason D. Ferres
Signature

State of Oregon

County of Multnomah

Signed or attested before me on this 14th day of August, 2023 by Jason D. Ferres.

/s/ James Wayne Waits
Notary Public

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ENTITY CONSENT TO ENTRY OF ORDER

I, Jason Ferres state that I am an officer of JASON FERRES INSURANCE AGENCY, INC. and authorized to act on its behalf. I have read the foregoing Consent Order and that I know and fully understand the contents hereof. I have been advised of JASON FERRES INSURANCE AGENCY, INC's right to a hearing and right to be represented by counsel in this matter. JASON FERRES INSURANCE AGENCY, INC voluntarily consents to the entry of this Consent Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Consent Order. JASON FERRES INSURANCE AGENCY, INC understands that the Director reserves the right to take further actions against it to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Oregon Debt Management Service Provider law by JASON FERRES INSURANCE AGENCY, INC. JASON FERRES INSURANCE AGENCY, INC will fully comply with the terms and conditions stated herein.

JASON FERRES INSURANCE AGENCY, INC understands that this Consent Order is a public document.

Signature: /s/ Jason D. Ferres

Position Held: Owner

State of Owner

County of Multnomah

Signed or attested before me on this 14th day of August 2023

By Jason D. Ferres

s/ James Wayne Waits
Notary Public

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