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

In the Matter of MICHAEL JERRY CROSS, (NPN #121677) Respondent.	Case No. INS-23-0072 FINAL ORDERS TO CEASE AND DESIST AND DENYING LICENSE APPLICATION, AND CONSENT TO ENTRY OF ORDERS

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 ("Insurance Code"), has conducted an investigation of Michael Jerry Cross ("Cross"). The Division determined that Cross violated certain provisions of the Insurance Code and the Oregon Administrative Rules ("OAR") promulgated under those laws. Cross has resolved this matter with the Director by agreeing to the denial of his Oregon resident insurance producer application submitted on September 9, 2023, with an opportunity to reapply for said license after meeting certain conditions.

Now, therefore, as evidenced by the signature subscribed herein, Cross hereby CONSENTS to the entry of this Order.

The Director makes the following Findings of Fact, Conclusions of Law, and Orders.

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FINDINGS OF FACT

The Director FINDS that:

1. Cross is an Oregon resident whose address is located at 264 Chase Avenue SE, Salem, OR 97302.

2. Cross was charged with one count of aggravated theft under ORS 164.057 and two counts of felony mistreatment in the first degree under ORS 163.205. On March 6, 1997, Cross pleaded guilty to felony mistreatment in the first degree, which was later reduced to the level of a Class A Misdemeanor, in exchange for dropping the aggravated theft count and one count of criminal mistreatment. In his plea agreement, Cross stated that on March 20, 1996, he violated a duty of care by unlawfully taking and appropriating money belonging to a woman in his care for his own purposes and not in the due or lawful execution of his responsibility.

3. Prior to his conviction, Cross also held insurance producer license no. 605881 with the Department of Consumer and Business Services. Following his conviction, a hearing was held on August 5, 1997, which resulted in an order being issued on September 29, 1997 by Hearings Officer Ella D. Johnson that revoked Cross's license for "untrustworthiness and violations of the Oregon Insurance Code."

4. On September 9, 2023, Cross submitted an application with the Division of Financial Regulation (the "Division") for a resident insurance producer license (the "Application").

5. In his Application Cross answered "Yes" to Background Question 1a., which asked whether he had previously been convicted of a misdemeanor, had a judgment withheld or deferred, or was currently charged with committing a misdemeanor. The Application notes that in the event that an applicant provides a yes answer to this question, the applicant must also provide the following:

> a) a written statement explaining the circumstances of each incident,
> b) a copy of the charging document,
> c) a copy of the official document, which demonstrates the resolution of the charges or any final judgment.

6. Additionally, Cross answered "Yes" to a Background Question 2., which asked whether he had previously been named or involved as a party in an administrative

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proceeding regarding any professional or occupational license or registration. The Application notes that in the event that an applicant provides a yes answer to this question, the applicant must also provide the following:

> a) a written statement identifying the type of license and explaining the circumstances of each incident,
> b) a copy of the Notice of Hearing or other document that states the charges and allegations, and
> c) a copy of the official document, which demonstrates the resolution of the charges or any final judgment.

7. Despite his affirmative answers to Background Questions 1a. and 2 on his Application, Cross did not provide any additional documentation to the Division.

8. On October 4, 2023, Cross contacted the Division to request an update on his Application. The Division's compliance specialist who fielded Cross's call informed him of the need to submit additional documentation related to his 1997 convictions as well as four criminal charges alleged against him between April 2000 and February 2015. Nonetheless, Cross has still not provided the documentation to the Division that the Application requires.

CONCLUSIONS OF LAW

The Director CONCLUDES that

9. ORS 744.074(1)(a) authorizes the Director to place a licensee on probation or to suspend, revoke or refuse to issue or renew a license for providing incorrect, misleading, incomplete or materially untrue information in the license application. Cross violated ORS 744.074(1)(a) when he submitted his Application without providing the documentation that the Application requires as a result of his having answered "Yes" to Background Questions 1a. and 2, which rendered the Application incomplete.

10. ORS 744.074(1)(f) authorizes the Director to place a licensee on probation or to suspend, revoke or refuse to issue or renew a license if the applicant was convicted of a felony, or of a misdemeanor involving dishonesty or breach of trust. Cross's misdemeanor

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conviction from 1997 of Criminal Mistreatment in the First Degree, which stemmed from his financial exploitation and misappropriation of money from an elderly woman in his care, involved both dishonesty and breach of trust.

11. Pursuant to ORS 731.252(1), whenever the Director has reason to believe that any person has been engaged or is engaging or is about to engage in any violation of the Insurance Code, the Director may issue an order, directed to such person, to discontinue or desist from such violation or threatened violation.

12. Because the Director has reason to believe that Cross has violated ORS 744.074(1)(a), (f), and (h), the Director may issue an order directed to Cross to discontinue or desist from those violations under ORS 731.252(1), and may issue an order denying his Application.

ORDERS

The Director issues the following ORDERS:

13. Pursuant to ORS 731.252(1), the Director hereby ORDERS Cross to CEASE AND DESIST from violating any provision of the Insurance Code, or any administrative rule adopted by the Director under those statutes.

14. Pursuant to ORS 744.074(1)(a), (b), and (f),, the Director hereby ORDERS that Cross's Application for a resident individual insurance producer license is denied. Cross may, however, reapply for said license and the Director shall provide a fair and impartial review of a new application if all of the conditions in paragraph 19 below are met.

15. The Director hereby ORDERS that if Cross submits a new application for a resident insurance producer license, such application will be immediately denied without further review and Cross agrees to hereby WAIVE any right to an administrative hearing pursuant to ORS 183.413 through 183.471, if Cross does not complete or submit, as applicable, all of the following before or concurrently with the submission of his new application to the Division:

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A. Complete 20 hours prelicense training, per line of authority;

B. Schedule and pass all required examinations;

C. Submit a fully completed application through NIPR.com with truthful and honest answers to all questions;

D. If questions 1a, 1b, or 1c on the application are answered "yes," then submit: a) a written statement explaining the circumstances of each incident, b) a copy of the charging document, and a copy of the official document that demonstrates the resolution of the charges or any final judgment (if any of these documents are unavailable from the court where charges were filed, then the Division will accept a letter of explanation from a clerk of the relevant court);

E. If question 2 on the application is answered "yes," then submit: a) a written statement identifying the type of license and explaining the circumstances of each incident, b) a copy of the Notice of Hearing or other document that states the charges and allegations, and c) a copy of the official document, which demonstrates the resolution of the charges or any final judgment;

F. If question 3 on the application is answered "yes," then submit: a statement summarizing the details of the indebtedness and arrangements for repayment, and/or type and location of bankruptcy;

G. If question 4 on the application is answered "yes," then submit a) a written statement summarizing the details of each incident, b) a copy of the Petition, Complaint or other document that commenced the lawsuit arbitration, or mediation proceedings, and c) a copy of the official documents, which demonstrates the resolution of the charges or any final judgment;

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H. If question 5 on the application is answered "yes," then submit: a) a written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and b) copies of all relevant documents; and

I. A fully completed application for written consent pursuant to 18 U.S.C. § 1033 (the "Waiver Application"), which is required for an individual convicted of certain crimes who is engaged in the business of insurance, and which the Division shall provide upon request, that includes but is not limited to the following documents submitted concurrently:

i. Completed Attachment 1 form(s) (one completed form must be submitted for each offense), which is included in the Waiver Application and concerns the applicant's arrest, conviction and imprisonment record, with each page numbered;

ii. Completed Attachment 2 form(s) (one completed form must be submitted for each offense), which is included in the Waiver Application and concerns disclosing each insurance-related felony, with each page numbered;

iii. Completed Attachment 3 form(s), which is included in the Waiver Application and concerns the applicant's insurance-related employment history, with each page numbered;

iv. A written agreement or contract to be entered into between the applicant and an insurer or its agent, labeled as Attachment 4;

v. A description of the job and insurance activities that the applicant proposes to conduct, including the nature, duties and activities of the office, position, occupation, trade, vocation, or profession in connection with the Waiver Application, labeled as Attachment 5;

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vi. A signed affidavit form the president of the insurer, or the designee of the president, for whom the applicant will act, which must state: a) that the applicant will perform only those insurance activities fully described in the Waiver Application, b) that the application is true and correct to the best knowledge of the president or designee, and c) that the applicant will not be placed in a position where his activities constitute a risk or threat to consumers or the insurer. This signed affidavit shall be labeled as Attachment 6;

vii. A statement of the applicant's net worth, including all the assets that the applicant holds or that are held in others' names for the applicant, the amount of each liability that the applicant owes, either individually or with others, and the amount and sources of all income for the 10 years immediately preceding the date of the Waiver Application. This statement shall be labeled as Attachment 7;

viii. A credit report from a credit bureau that has been issued within 30 days of the date that the Waiver Application is submitted, labeled as Attachment 8;

ix. A statement indicating whether you are seeking written consent to engage in the business of insurance notwithstanding conviction of a crime under 18 U.S.C. § 1033 or of a crime involving dishonesty or breach of trust and, if so, include a full explanation of the reasons you believe that the insurance activities for which you are seeking written consent will not be contrary to the intent and purposes of 18 U.S.C. § 1033, and will therefore not pose a risk or threat to

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insurance consumers or the insurer. This statement shall be labeled as Attachment 9; and

x. At least five letters or other forms of statement, addressed to the Director, attesting to your character and reputation, which include: a) how long the writer has known you and the basis of your relations ship, b) a description of your character traits as they relate to the employment or activities for which you are seeking written consent, c) an attestation to your reputation in your business, civil and social communities, and d) a statement from the writer indicating that the letter has been submitted in compliance with these procedures and that you have informed the writer of the factual basis of the Waiver Application. The five letters should be labeled as Attachment 10A through 10E.

16. Satisfaction of the conditions of paragraph 19 will only constitute a complete application for an insurance producer license. Satisfaction of those conditions will not constitute approval of such a license or entitle Cross to receive such a license, and the Director will have no obligation to issue a resident insurance producer license to Cross merely because Cross has submitted a complete application by satisfying the conditions of paragraph 19. Cross understands and acknowledges that even if he submits a complete application by satisfying the conditions of paragraph 19, the Director may determine that the application should be denied and that no insurance producer license should be issued to Cross.

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DESIGNATION OF FINAL ORDER

17. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon law.

IT IS SO ORDERED.

Dated this 27th day of January 2025.

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, Michael Jerry Cross, state that I have read the foregoing order and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. I desire to resolve and settle this matter with the Director. I voluntarily, without any force or duress, consent to the entry of this order, expressly waiving any right to a hearing in this matter. I understand that the Director reserves the right to take further actions to enforce this order or to take appropriate actions upon the discovery of other violations of the Oregon Insurance Code or laws regulated under the Division's statutory authority, and I will fully comply with the terms and conditions stated herein.

I further understand that this consent order is a public document.

Dated this 27th day of January 2025.

/s/ Michael Jerry Cross
Michael Jerry Cross

State of Oregon

County of Marion

Signed or attested before me on this 27th day of January, 2025

By Michael Cross.

/s/ Mitzi Astrid Moran
Notary Public

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