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 AND ORDER ASSESSING CIVIL PENALTIES, ENTERED BY DEFAULT **AS AGAINST CINDY GILBERT ONLY** THIS IS A FINAL ORDER

On June 22, 2023, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting by and through the Oregon Division of Financial Regulation ("Division") and in accordance with Oregon Revised Statutes ("ORS") 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 ("Insurance Code"), served a First Amended Order to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice or Right to an Administrative Hearing on Jason D. Ferres ("Ferres"), Jason Ferres Insurance Agency, Inc. ("JFIA"), and Cindy Gilbert ("Gilbert").

The Notice offered Gilbert an opportunity for a hearing if requested within 20 days of the Notice. The Notice further informed Gilbert that if a hearing were not conducted because Gilbert did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Gilbert in this case would

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automatically become part of the contested case record for the purpose of proving a prima facie case.

The Director did not receive from Gilbert a request for a hearing and did not conduct a hearing.

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

Now, therefore, after considering the relevant portions of the Division's file relating to this matter, the Director finds and orders as follows.

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. 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.

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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.

9. 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.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

Cease and Desist Authority

10. Under ORS 731.252 (1), because the Director has reason to believe that Gilbert has engaged in violations of the Insurance Code, the Director may issue an order to Gilbert 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

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

12. 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.

Misrepresentation in Insurance Business

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

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14. Gilbert made "a false or fraudulent statement or representation" for purposes of "obtaining a * * * benefit from an insurer," in violation of ORS 746.100, by adding the policy endorsement to Ferres' policy and by backdating the endorsement to May 10, 2022.

Civil Penalties Authority

15. 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

16. As authorized by ORS 731.252 (1), the Director ORDERS Gilbert to CEASE AND DESIST from violating ORS 744.053 and ORS 746.100.

Civil Penalties

17. As authorized under ORS 731.988 (1), the Director ORDERS that Gilbert be subject to a CIVIL PENALTY of $2,000 as follows

A. $1,000 for violating ORS 744.053 by transacting insurance business without an active insurance producer license, as described above in Paragraph 15; and

B. $1,000 for violating ORS 746.100 by adding the policy endorsement to Ferres' automobile insurance policy and backdating coverage as described above in Paragraph 8.

FINAL ORDER

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.

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NOTICE OF RIGHT TO JUDICIAL APPEAL

Judicial review of final orders in contested cases is governed by ORS 183.482. Gilbert 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.

SO ORDERED this 27th day of July, 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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