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

In the Matter of:	Case No. S-25-0026
ADAM R. FRENCH, Respondent.	FINAL ORDERS TO CEASE AND DESIST, ASSESSING CIVIL PENALITES, REVOKING LICENSE AND BARRING LICENSURE, AND PLACING LICENSE ON PROBATION, AND CONSENT TO ENTRY OF ORDERS

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

The Division of Financial Regulation (the "Division"), acting on behalf of the Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), conducted an investigation of Adam R. French ("Respondent"). The Division determined that Respondent violated provisions of Oregon Revised Statutes ("ORS") chapters 59 (the "Oregon Securities Law"); ORS chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750 (the "Insurance Code"); and the Oregon Administrative Rules ("OAR") promulgated under those laws.

Respondent now wishes to resolve and settle this matter with the Director.

Now therefore, as evidenced by the signatures subscribed herein, Respondent hereby consents to the entry of this Order without admitting or denying the Findings of Fact contained herein.

BACKGROUND

1. Between 2011 and 2021, Respondent worked in Oregon for various Illinois-based Bankers Life entities. Starting in June 2011, he first worked as an insurance agent for the insurance company Bankers Life and Casualty Company (NAIC Company code 61263). Then from February 2018 to September 2019, he worked as a registered representative for the registered broker-dealer Bankers Life Securities, Inc. (organization CRD number 173962). From March 2019 through September 2021, Respondent worked

as an investment adviser representative for Bankers Life Advisory Services, Inc. (organization CRD number 281285) (collectively with Bankers Life and Casualty Company and Bankers Life Securities, Inc., "Bankers Life").

2. In September 2011, an Oregon consumer filed a complaint against Respondent, Bankers Life, and some of Respondent's former colleagues. That complainant noted that Respondent and his colleagues had sold his brother and sister-in-law a short-term care policy that precluded the policyholder from making claims if there were any preexisting conditions, despite the fact that his brother and sister-in-law both had significant health histories.[1] The complainant stated that it was apparent that the couple, aged 72 and 73 at the time, could not make financial decisions on their own. The complainant further noted that Respondent and his colleagues had sold the couple a $1,000,000 annuity policy that he believed was inappropriate for them, but that the complainant had been able to cancel it before any payment was made. Ultimately, the married couple's short-term care policy was flat canceled and their premium payment was refunded. Accordingly, the Division took no formal action.

3. In May 2014, another Oregon consumer filed a complaint against Respondent, Respondent's former supervisor, and Bankers Life. The complainant stated that Respondent recommended that he and his wife switch supplemental health insurance plans, which the couple agreed to do. The complainant stated that Respondent then submitted an application for his wife that contained her electronic signature without her knowledge and consent, and that he did so several weeks after they had met and filled out paperwork. The complainant claimed that Respondent failed to timely file that original paperwork, then filed it electronically but with an incorrect birthdate, causing the application to be rejected

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

[1] In response to the Division's inquiry into this matter, Respondent noted that there was some coverage for pre-existing conditions, although that coverage was limited. He also denied the remaining allegations.

as filed too late. The complainant stated that Respondent and his supervisor would not return his phone calls. Respondent admitted to the Division that he had filed the paperwork late but claimed that was due to an error on his part in transposing the numbers of the complainant's wife's birthday on the application. Respondent did not deny or address the allegation that he submitted an electronic signature without the consumer's consent. The Division's Consumer Advocacy section was able to get the insurer to issue the policy for the complainant's wife. It appears that because the consumer was effectively made whole, the Division did not address the alleged fraudulent electronic signature that Respondent submitted, and the Division took no formal action.

FINDINGS OF FACT

The Director FINDS that:

4. Respondent was first licensed as an Oregon resident insurance producer on June 22, 2011. Respondent holds lines of authority for life and health insurance. Respondent's National Association of Insurance Commissioners National Producer Number is 16268401.

5. Respondent was first licensed as an Oregon investment adviser representative on March 19, 2018. Respondent's individual Central Registration Depository ("CRD") number is 6912468.

6. Between April 05, 2023, and October 09, 2023, Respondent worked as an Investment Advisor Representative associated with Integrity Alliance, LLC, formerly known as Brokers International Financial Services, a dual-registered brokerage firm and federal covered investment adviser registered with the Securities and Exchange Commission with firm CRD number 139627 ("Brokers International"). Since October 24, 2023, Respondent has worked for Success Wealth Management LLC, a federal-covered investment adviser registered with the SEC (CRD 299094).

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

7. On October 10, 2023, a Charles Schwab & Co., Inc. ("Charles Schwab") fraud investigator submitted to the Division a report of suspected financial exploitation of a vulnerable person pursuant to ORS 59.485. Following receipt of that report, the Division initiated a new investigation into Respondent.

A. Signing on behalf of customers without their knowledge or consent

8. At all times relevant to this matter, Respondent made use of DocuSign software in order for his clients to sign documents electronically.

9. To set up an account with DocuSign, a person provides an email address and a cell phone number. The email address is used to receive documents for signature, and the cell phone number is used for two-factor authentication ("2FA") purposes in order to verify the identity of the recipient of those documents.

10. The purpose of 2FA is to create an additional layer of security to ensure that the authorized person is the one accessing the account or document online.

11. Accordingly, a person electronically signing documents via DocuSign should receive an email with a link to the documents for signing. That person should also receive a text message on their cell phone with a code to enter in order to authenticate that the correct person is going to provide an electronic signature.

12. As part of the DocuSign electronic signature process, DocuSign generates a Certificate of Completion ("COC") that contains certain information, including the name and email addresses used by each party signing, the date and time each party first viewed and then signed the document, the phone number used to authenticate the signature using 2FA, and the Internet Protocol ("IP") address for each party signing the document, which is a unique identifier for each electronic device used to sign.

13. The Division obtained the DocuSign COC records for five Oregon-based clients of Respondent, identified herein as CC, WB, DD, DL, and JS. All of these COCs were

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

affiliated with the same IP address as Respondent and also as each other, meaning all of those clients and Respondent electronically signed those documents using the same device.

14. The device used to sign each of these documents electronically was Respondent's laptop computer.

15. Each of the foregoing COC documents show the clients viewing and signing all of the documents very quickly, generally taking about 10-20 seconds to view and sign dozens of pages of documents in multiple places. Respondent then viewed and signed the same documents within minutes from the same device.

16. As discussed below, Respondent made false claims to the Division about when and how these documents were signed, including claims that they were signed by the client on a separate device and claims that they were signed by the client in a different location.

Unauthorized signature of Client CC

17. In or about 2023, an Oregon consumer identified herein as CC provided information to a website designed to connect consumers with financial advisers. Respondent then contacted CC, and she agreed to hire Respondent as her financial adviser. Respondent was employed by Brokers International at that time.

18. On July 3, 2023, CC transferred her Roth IRA to be managed by Respondent. The documents for that transfer were completed and signed electronically using DocuSign.

19. The DocuSign COC for that transfer shows CC was sent documents by email on July 3 at 9:43:01 AM, that she viewed the documents on the same date at 9:45:11 AM, and that she completed signing them on the same date at 9:45:27 AM. From her initial viewing to completing her signatures took 16 seconds.

20. The DocuSign COC for that transfer also shows that Respondent was sent those documents just after CC signed them on July 3 at 9:45:29 AM, that he viewed the documents on the same date at 9:45:58 AM, and that he completed signing them on the

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

same date at 9:46:04 AM. From the time that CC completed her signatures to the time that Respondent received, viewed, and completed his signatures was 37 seconds.

21. The IP address reflected on the DocuSign COC for both CC's signatures and Respondent's signatures was identical, meaning the same electronic device was used by both of them. The device was Respondent's laptop.

22. CC told the Division that she did not recall signing any documents for Respondent electronically. She could not recall receiving an email with the DocuSign documents, although she did confirm her email address was the same as the email address reflected on the COC record.

23. CC further told the Division that she was working on July 3, 2023, which was the date the documents were electronically signed. She said she was not with Respondent that day.

24. The Division asked CC about the phone number that was used for 2FA purposes to authenticate her signature. She stated the number did not belong to her and she did not recognize it.

25. In fact, the phone number belonged to Respondent's friend identified herein as JC, who is an insurance producer.[2]

26. Respondent stated to the Division that he met with CC in his office on June 29, 2023, and that CC signed the required documents at that time.

27. Respondent stated that he had submitted another application to transfer a different account for CC, which he said he did on June 29, 2023, the same day he claimed he met with CC in person at his office. He could not explain why he submitted CC's Roth IRA transfer documents on July 3. Nor could he explain why he used his friend JC's phone number instead of CC's for 2FA purposes. He admitted that CC had a cell phone and they

[2] JC referred consumer WB to Respondent.

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

sent each other text messages regularly.

28. CC told the Division that Respondent subsequently told her that he had separated from Brokers International, but that he indicated he was leaving the firm voluntarily to join another adviser he had known for years. CC claimed Respondent told her that she would receive a letter from Brokers International about his separation and that the documents would use language making it seem as though he was terminated, but he claimed it would just be standard verbiage used when someone leaves a firm. He also told CC that Brokers International charged her higher fees than he would at his new firm. Due to these statements from Respondent, CC noted that when she received the mailing from Brokers International notifying her of Respondent's separation from that firm, she didn't pay attention to it.

Report of suspected financial exploitation and unauthorized signature of Client WB

29. On August 15, 2023, Respondent and his colleague, identified herein as DK, met with an 81-year-old Oregon consumer, identified herein as WB, at WB's home.

30. During his meeting with WB, Respondent created an email address for WB to initiate the transfer of two of WB's investment accounts to Charles Schwab to be managed by Respondent and Brokers International. That email address was ultimately used to receive documents and provide an electronic signature in order to attempt to transfer WB's funds using DocuSign software.

31. Respondent instructed his colleague DK to use his (DK's) cell phone to set up 2FA to authenticate WB's electronic signature through DocuSign.

32. In a written statement to the Division dated December 12, 2023, and again during an interview with the Division on October 8, 2024, Respondent stated that WB never had an email address, a smart phone, or a cell phone. Respondent admitted to creating the email address for WB on his (Respondent's) computer. During the interview,

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

Respondent also acknowledged that the email address he created is where all documents related to the transfer of WB's accounts were sent, and that they were to be signed "Electronically using the email."

33. Respondent also admitted that he instructed his colleague DK to set up the 2FA using his (DK's) cell phone.

34. Respondent claimed he set up the email account and instructed his colleague DK to use his cell phone for 2FA purposes in the presence of and with the agreement of WB.

35. Respondent stated he did not use his own phone number because he didn't want it to "look like I was pulling something over when I wasn't."

36. Respondent stated he specifically asked WB if he had a cell phone and that WB said he did not. Respondent claimed he also asked WB's son, who was in the house at the time of the meeting, if he had a cell phone, and that the son said he did not.

37. WB told the Division he does not use a computer at all, and stated he never used one to electronically sign documents. Although he admitted to meeting with Respondent, he denied authorizing Respondent to open an account for him or to transfer his assets.

38. WB stated that he has owned a cell phone for several years, including during the time he met with Respondent.

39. WB denies giving Respondent consent to create an email address for him, to use that email address to electronically sign documents, or to use DK's cell phone for 2FA purposes.

40. WB informed the Division that he did not and would not sign documents electronically.

41. WB stated that he did not intend for Respondent to be his adviser.

42. WB's son informed the Division that he and his father both have cell phones.

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

The son noted that he could receive text messages but that his father could not.

43. When asked if he had ever created an email address for other clients or used a third-party's phone number for 2FA purposes, Respondent said "no."

44. Respondent stated to the Division that WB's paperwork was completed and signed at the meeting at WB's residence on August 15. He stated it was later returned as "not in good order" on August 22 for lacking certain required information. Respondent said he then resubmitted that missing paperwork on August 25.

45. Respondent stated that he had not spoken to WB since August 22, 2025.

46. Both Charles Schwab and Brokers International stated that they only received documents from Respondent regarding WB on August 28 and that nothing was ever returned as "not in good order."

47. WB's DocuSign COC indicates that the documents were viewed and signed on August 28, 2023. DocuSign COC indicates WB (or the email address Respondent established for WB) was emailed the documents at 2:28:03 pm on August 28, 2023, that they were viewed that same day at 2:29:24 pm, and that they were signed that same day at 2:29:36 pm. Respondent then received, viewed, and signed the documents electronically in less than 2 minutes, completing those actions by 2:31:17 pm.

48. The same IP address is associated to both sets of signatures. The device associated with that IP address is Respondent's laptop.

49. On October 10, 2023, a Charles Schwab fraud investigator submitted to the Division a report of suspected financial exploitation of a vulnerable person pursuant to ORS 59.485. That report alleged that a new account was opened for WB by an agent with Brokers International using a fictitious email address and a phone number that is not associated with WB for 2FA purposes. That report also alleged that WB did not consent to the opening of the new account.

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

50. On October 16, 2023, Brokers International filed a Form U-5 with FINRA, noting it terminated Respondent for failing "to follow proper procedure for electronic signatures by assisting the claimant in setting up an email address and utilizing an unrelated person's cell phone for verification purposes." Brokers International also stated it "found no intentional fraud."

Unauthorized signature of Client DL

51. On July 27, 2023, an Oregon consumer identified herein as DL transferred her rollover IRA to Charles Schwab to be managed by Respondent. To do so, Respondent submitted documents purportedly signed electronically by DL using DocuSign.

52. DL was 65 years old at the time of the transfer.

53. DL's DocuSign COC indicates she was emailed the documents at 4:19:45 pm on July 27, 2023, that she viewed the documents 45 seconds later at 4:20:30 pm, and that she completed signing them electronically 14 seconds later at 4:20:44 pm. Respondent then received, viewed, and signed the documents electronically in less than 8 minutes, completing those actions by 4:28:09 pm using a device with the same IP address that was used to sign DL's documents. The device associated with that IP address is Respondent's laptop.

54. DL told the Division that she could not recall whether she had signed any documents electronically when she met with Respondent at his office, but she might have signed some manually.

55. DL noted that she brought her own laptop computer with her to her meeting with Respondent. DL's laptop is not associated with the DocuSign signatures.

56. DL also told the Division that the email address used to email the documents via DocuSign was incorrect. The email address used on those documents ended in the number "1" (one), but her correct email address ended in the letter "l" (a lowercase "L")

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

followed by the number "2." Accordingly, the documents were not sent to DL for her signature, despite the DocuSign COC showing her name having been signed.

57. DL confirmed the phone number used for 2FA purposes was her correct phone number.

58. Respondent could not explain to the Division how DL could have signed the documents electronically if they were not sent to her correct email address.

Unauthorized signature of Client DD

59. On August 14, 2023, documents were purportedly signed by an Oregon consumer identified herein as DD in order to transfer DD's accounts to Charles Schwab to be managed by Respondent.

60. DD, who was 66 years old at the time, told the Division that he did not recall meeting with Respondent, and in any event that he does not sign documents electronically.

61. DD did not recall receiving documents from Respondent or DocuSign to sign electronically and could not find any paperwork regarding an account at Charles Schwab.

62. DD confirmed the email address and phone number on the DocuSign COC belonged to him.

63. DD's DocuSign COC indicates he was emailed the documents at 2:48:36 pm on August 14, 2023, that he viewed the documents 23 seconds later at 2:48:59 pm, and that he completed signing them electronically 12 seconds later at 2:49:11 pm. Respondent then received, viewed, and signed the documents electronically within about 6 minutes, completing those actions by 2:55:26 pm using a device with the same IP address that was used to sign DD's documents. The device associated with that IP address is Respondent's laptop.

///

///

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

B. Unauthorized signatures and the sale of unsuitable annuities

Unauthorized signature and false statements regarding Client JS

64. In or about October 2022, Respondent sold a 75-year-old Oregon consumer identified herein as JS a 10-year fixed indexed annuity for a premium payment of approximately $373,000. The premium was funded by the exchange of a 3-year annuity that JS held that was maturing.

65. JS stated to the Division that he did not want the 10-year annuity, in part because he felt that term length was too long given his age. Nevertheless, at Respondent's recommendation, JS used the funds from the maturing 3-year annuity to pay for the premium of the new 10-year annuity.

66. After JS completed the annuity application but before it was submitted or funded, Respondent added JS's wife to the annuity as a joint owner by completing her information himself in ink on the application documents. Respondent handwrote in JS's wife's information and handwrote her name on several signature lines. It appears that JS's wife did sign her name on one of the signature lines, but not others.

67. Respondent claimed handwriting in a joint owner in this manner was standard operating procedure.

68. Respondent further stated that the insurance company directed him to handwrite in JS's wife's information.

69. The Division contacted the insurance company, which stated that is false, noting that the person being added to the annuity as a joint owner is required to sign all of the documents in the relevant places. The insurance company further noted that it would not instruct a producer to handwrite any client names on the signature fields, as those are for the client to sign.

///

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

70. At the time Respondent handwrote in JS's wife's name and information on the annuity application, JS's wife was suffering from severe dementia. In fact, she passed away just three months later. Accordingly, it is very unlikely that she could have reviewed or understood the annuity policy at the time she and Respondent signed those documents.

71. On or about June 27, 2023, JS also transferred a rollover IRA to a new custodian for Respondent to manage. As part of that transfer, documents were signed electronically using DocuSign.

72. Like the other clients mentioned above, JS's DocuSign COC shows that JS viewed and signed the documents quickly – within 19 seconds – and also shows that Respondent completed viewing and signing the same less than a minute later. The documents were signed on the same device with the same IP address as the other clients described above, namely, Respondent's laptop.

73. JS stated the phone number used for 2FA purposes does not belong to JS or anyone JS knows.

74. In fact, the phone number used for 2FA purposes to authenticate JS's signature on the foregoing documents belongs to Respondent's wife.

75. During his interview with the Division, Respondent acknowledged that JS was unhappy with the annuity Respondent sold him. When asked about this, Respondent immediately attempted to discredit JS. Respondent claimed he was on the phone with JS's son and daughter-in-law the day prior to the interview. Respondent stated that JS was being moved to a memory care facility. Respondent stated that last time he saw JS, JS could not even write his own name or remember his last name.

76. When confronted with the evidence that Respondent had used his wife's cell phone to authenticate JS's signature, Respondent stated that he "had not remembered that." He then immediately stated that he did so because JS did not have a cell phone, and added

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

that "he still doesn't have a cell phone, I mean, never did."

77. JS's son and daughter-in-law later told the Division that most of what Respondent told the Division about JS was not true. They confirmed that JS lives alone and has no plans to move to a memory care facility. They confirmed that JS has had a cell phone for a long time. JS's son said that JS does not really use a computer, and that getting JS to sign documents electronically is very difficult. JS's son denied that his father had any trouble signing or remembering his name.

Improper practices regarding sale of annuities

78. In addition to JS, Respondent had other clients with issues relating to annuities. Respondent exhibited a pattern of selling 10-year annuities to elderly clients, including those in their 70s and 80s. The premium payments for these annuities often represented a significant percentage of the clients' total liquid assets, calling into question the suitability of such products for these clients. Respondent also used notably similar numbers for monthly income and expenses when completing documents that were submitted to the insurance companies to verify the annuities were suitable for those clients, calling into question the accuracy of those documents that Respondent completed.

79. Respondent completed a "Suitability Acknowledgement" document for each of the foregoing clients as part of their applications to obtain the 10-year fixed indexed annuity.

80. In or about February 2023, at Respondent's recommendation, a 67-year-old client identified herein as DB applied for a 10-year annuity with a premium payment of $65,000, representing 52% of his total liquid assets. On the Suitability Acknowledgement form, Respondent claimed DB's monthly gross income was $3,000 and his total monthly expenses were $1,500. DB withdrew his application prior to the annuity being issued.

///

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

81. In or about March 2023, at Respondent's recommendation, an 87-year-old client identified herein as AG purchased 10-year annuity with a premium payment of $160,000, representing nearly 70% of her total liquid assets. On the Suitability Acknowledgement form, Respondent claimed AG's monthly gross income was $3,300 and her total monthly expenses were $1,500, which were very similar amounts to those noted on DB's application.

82. AG's daughter told the Division that she was involved in AG's purchase of the foregoing annuity, and that Respondent told them that AG would be "vested" after 18 months, at which point she could withdraw funds penalty free. In reality, AG could only withdraw a portion of her funds each year for ten years without incurring penalties.

83. In or about April 2023, at Respondent's recommendation, a 68-year-old client identified herein as WS funded the 10-year annuity with a premium payment of $78,000, representing 39% of his total liquid assets. On the Suitability Acknowledgement form, Respondent claimed WS's monthly gross income was $4,600 and his total monthly expenses were $3,500.

84. In or about May 2023, at Respondent's recommendation, a 64-year-old client identified herein as DS funded the 10-year annuity with a premium payment of $48,000, representing nearly 62% of his total liquid assets. On the Suitability Acknowledgement form, Respondent claimed DS's monthly gross income was $5,000 and his total monthly expenses were $3,500.

85. In or about October 2023, at Respondent's recommendation, a 79-year-old client identified herein as DM funded the 10-year annuity with a premium payment of $102,000, representing approximately 29% of her total liquid assets. On the Suitability Acknowledgement form, Respondent claimed DM's monthly gross income was $3,300 and her total monthly expenses were $1,500, amounts very similar to those noted on AG and

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

DB's applications.

86. In or about March 2024, at Respondent's recommendation, a 74-year-old client identified herein as CDO funded the 10-year annuity with a premium payment of $100,000, representing about 7% of her total liquid assets. On the Suitability Acknowledgement form, Respondent claimed CDO's monthly gross income was $4,000 and her total monthly expenses were $3,000.

87. When the Division contacted CDO and asked her about that annuity, CDO noted that she was suffering from stomach cancer at the time she met with Respondent and that she was having difficulty finding a product to meet her needs. She was particularly concerned about having long-term care coverage. CDO stated, based on her conversations with Respondent what Respondent's representations to her, that she believed the annuity had a rider that would provide for long-term care until her death under any circumstances if she needed such care, even if the cost for such care exceeded the premium she paid for the annuity.

88. The annuity that Respondent sold CDO did contain a long-term care rider, which provides an enhanced benefit in specific circumstances if she needs professional care. But that benefit was a cash-value benefit – not a guarantee of long-term care coverage – and would not provide benefits if her annuity ran out of funds.

89. Respondent informed the Division that CDO's annuity had a long-term care rider, but stated that the rider only provided for enhanced benefits for 2 years if CDO required long-term care and that it did not provide indefinite long-term care benefits.

90. Respondent represents to the Division that he has ceased working in the securities industry. He further represents that he is working as an independent insurance agent and that he is not employed by any business entity insurance producer, insurance carrier, or any other employer.

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

CONCLUSIONS OF LAW

The Director CONCLUDES that:

Insurance Code Violations

91. Under ORS 731.104, "insurance producer" means a person required to be licensed under the laws of this state to sell, solicit or negotiate insurance.

92. At all relevant times, Respondent was an "insurance producer" under ORS 731.104.

93. Under ORS 731.102(1), "insurance" means a contract whereby one undertakes to indemnify another or pay or allow a specified or ascertainable amount or benefit upon determinable risk contingencies.

94. Under ORS 731.102(2), "insurance" so defined includes annuities.

95. Under ORS 731.296, the Director may address any proper inquiries to any insurer, licensee or its officers in relation to its activities or condition or any other matter connected with its transactions. Any such person so addressed shall promptly and truthfully reply to such inquiries using the form of communication requested by the Director. The reply shall be verified by an officer of such person, if the Director so requires. A reply is subject to the provisions of ORS 731.260.

96. Under ORS 731.260, no person shall file or cause to be filed with the Director any article, certificate, report, statement, application or any other information required or permitted to be so filed under the Insurance Code and known to such person to be false or misleading in any material respect.

97. Respondent violated ORS 731.296 and ORS 731.260 by failing to truthfully respond to all Division inquiries and by making materially false or misleading statements. The following statements Respondent made to the Division were untrue or materially false or misleading:

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

A. Respondent's statement that the insurance company directed Respondent to handwrite in JS's wife's information on an annuity application;

B. Respondent's statement that it is standard industry practice to handwrite the name of a consumer on the signature lines of documents for an annuity application;

C. Respondent's statement that handwriting in JS's wife's information and writing her name on the signature filed for her on the annuity application was standard industry practice;

D. Respondent's statement that his client JS did not have a cell phone;

E. Respondent's statement that he did not use a third-party's phone number to authenticate client's signatures although Respondent used his wife's phone number to authenticate JS's signature;

F. Respondent's statements made in an attempt to discredit JS, including Respondent's claims that Respondent he was on the phone with JS's son and daughter-in-law the day prior to the interview with the Division and that JS was being moved to a memory care facility, and Respondent's claims that JS was unable to write or remember his own name the last time Respondent saw him.

98. Under ORS 744.074(1), the Director may place a licensee on probation or suspend, revoke or refuse to issue or renew an insurance producer license and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, for any one or more of the following causes:

***

A. (h) Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct

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

of business in this state or elsewhere.

***

B. (k) Forging another person's name to an application for insurance or to any document related to an insurance transaction.

99. Respondent violated ORS 744.074(1)(h) by:

A. Transferring or attempting to transfer WB's accounts to Respondent's management without WB's consent;

B. Creating an email account for WB in order to facilitate the transfer of WB's accounts without WB's consent;

C. Using the cell phone of a third-party to authenticate WB's electronic signature without WB's knowledge or consent;

D. Electronically signing WB's documents without his knowledge or consent;

E. Using the cell phone of a third-party to authenticate CC's electronic signature without CC's knowledge or consent;

F. Electronically signing DL's documents without her knowledge or consent;

G. Using a fictitious email address to electronically sign DL's documents without her knowledge or consent;

H. Electronically signing DD's documents without his knowledge or consent;

I. Using the cell phone of a third-party to authenticate JS's electronic signature without JS's knowledge or consent;

J. Telling CC to ignore communications from his former employer and making false or misleading statements about the true reasons for his separation from that employer;

K. Making misleading statements to AG about the terms of the annuity or otherwise failing to adequately explain that annuity to AG; and

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

L. Making misleading statements to CDO about the terms of the long-term care rider in her annuity or otherwise failing to adequately explain that rider to CDO.

100. Respondent violated ORS 744.074(1)(k) by printing JS's wife's name on annuity application signature lines without her knowledge or consent.

101. Under OAR 836-080-0090, a person may not recommend to a consumer the purchase, sale or replacement of a life insurance policy, or any rider, endorsement or amendment to the policy, without reasonable grounds to believe that the recommendation or transaction is not unsuitable for the consumer based upon reasonable inquiry concerning the consumer's insurance objectives, financial situation and needs, age and other relevant information known by the person.

102. Respondent violated OAR 836-080-0090 by recommending the purchase of annuities to consumers JS, DB, AG, WS, DS, DM, and CDO without reasonable grounds to believe that the recommendations or transactions were not unsuitable for the consumers based upon reasonable inquiry concerning the consumers' insurance objectives, financial situations and needs, ages and other relevant information known by Respondent.

103. Under ORS 743.262(1)(d), "consumer profile information" means information that is reasonably appropriate to determine whether a recommendation or sale of an annuity addresses a consumer's financial situation, insurance needs and financial objectives, including at a minimum: age; annual income; financial situation and needs; including debts and other obligations; financial experience; insurance needs; financial objectives; intended use for an annuity; financial time horizon; existing assets, including investment, annuity and other insurance holdings; liquidity needs; liquid net worth; risk tolerance, including but not limited to the consumer's willingness to accept non-guaranteed elements in the annuity; financial resources for funding an annuity; and tax status.

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

104. Under ORS 743.262(3)(a), a producer, in making a recommendation of an annuity, shall act in the consumer's best interest, under the circumstances the producer knows at the time the producer makes the recommendation, without placing the producer's or insurer's financial interests ahead of the consumer's interests.

105. Under ORS 743.262(3)(b) and (4)(a), a producer satisfies the producer's best interest obligation if the producer, among other things: exercises reasonable skill, diligence and care to know the consumer's financial situation, insurance needs and financial objectives; understands the options the producer may recommend to the consumer after making a reasonable inquiry into available options; has a reasonable basis for believing that the producer's recommended option effectively addresses the consumer's financial situation, insurance needs and financial objectives when considered in light of consumer profile information; and has a reasonable basis for believing that the consumer will benefit from certain features of the annuity, such as annuitization, death or living benefits or other insurance-related features.

106. Respondent violated ORS 743.262(3)(a), (3)(b), and (4)(a), by recommending to CDO the purchase of an annuity without satisfying the best interest obligations under those statutes, including by placing his own interests ahead of CDO's interests, by failing to exercise reasonable skill, diligence and care to know the CDO's financial situation, insurance needs and financial objectives; by recommending an annuity that did not effectively addresses the CDO's financial situation, insurance needs and financial objectives; and by failing to have a reasonable basis for believing that CDO will benefit from certain features of the annuity, including the long-term care rider.

107. Under ORS 743.262(5)(b), before making a recommendation or completing a sale of an annuity to a customer, a producer must have a reasonable basis for believing that the consumer was informed of the annuity's features, such as the potential tax penalties

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

that could result from the consumer's sale, exchange, surrender or annuitization of the annuity, the potential surrender period and surrender charges, any annual fees, mortality and expense fees, investment advisory fees, features of and potential charges for riders or other options, limitations on interest returns, potential charges for non-guaranteed elements of the annuity, the annuity's insurance and investment components and market risk.

108. Respondent violated ORS 743.262(5)(b) by failing to have a reasonable basis for believing that CDO was informed of the features of the annuity he sold her, including but not limited to features of and potential charges for the long-term care rider of that policy.

109. Under 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.

110. Because the Director has reason to believe that Respondent has violated the Insurance Code, including ORS 731.296, ORS 731.260, ORS 744.074(1)(h), ORS 744.074(1)(k), ORS 743.262, and OAR 836-080-0090, the Director may issue an order directed to Respondent to discontinue or desist from those violations under ORS 731.252(1).

111. Under ORS 731.988(1) a person that violates any provision of the Insurance Code shall forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the Director that does not exceed $10,000 for each offense. The civil penalty for individual insurance producers, adjusters or insurance consultants may not exceed $1,000 for each offense. Each violation is a separate offense.

112. Because Respondent violated the Insurance Code, he is subject to a civil penalty under ORS 731.988(1) of up to $1,000 for each offense.

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

Oregon Securities Law Violations

113. Under ORS 59.015(8)(a), "investment adviser representative" means any partner, officer, director, or person occupying a similar status or performing a similar function, or other individual, except clerical or ministerial personnel, who is employed by or associated with a state investment adviser that is licensed or required to be licensed in this state who makes any recommendations or otherwise renders advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, solicits, offers, or negotiates for the sale of or sells investment advisory services, or supervises employees acting under this subparagraph; or a federal covered investment adviser, subject to the limitations of section 203A of the Investment Advisers Act of 1940, as amended, as the Director may designate by rule or order.

114. Under ORS 59.015(8)(a), Respondent is an investment adviser representative.

115. Under ORS 59.015(19)(a), "security" means a note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in a pension plan or profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, variable annuity, certificate of deposit for a security, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such title or lease, real estate paper sold by a broker-dealer, mortgage banker, mortgage broker or a person described in subsection (1)(b) of this section to persons other than persons enumerated in ORS 59.035 (4), or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificates for, receipt for, guarantee of, or warrant or right to subscribe to or purchase any of the foregoing.

///

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

116. The assets held in the accounts owned by WB, CC, DL, and DD were "securities" as defined in ORS 59.015(19)(a).

117. Under ORS 59.135(3), it is unlawful for any person, directly or indirectly, in connection with the purchase or sale of any security or the conduct of a securities business or for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

118. Respondent violated ORS 59.135(3) by:

A. attempting to transfer WB's accounts to Respondent's management without WB's consent;

B. creating an email account for WB in order to facilitate the transfer of WB's accounts without WB's consent;

C. Using the cell phone of a third-party to authenticate WB's signature without WB's knowledge or consent;

D. electronically signing WB's documents without his knowledge or consent;

E. Using the cell phone of a third-party to authenticate CC's signature without CC's knowledge or consent;

F. electronically signing CC's documents without her knowledge or consent;

G. electronically signing DL's documents without her knowledge or consent;

H. using a fictitious email address to electronically sign DL's documents; and

I. electronically signing DD's documents without his knowledge or consent.

119. Under ORS 59.135(4), it is unlawful for any person, directly or indirectly, in connection with the purchase or sale of any security or the conduct of a securities business or for any person who receives any consideration from another person primarily for

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

advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise to make or file, or cause to be made or filed, to or with the Director any statement, report or document which is known to be false in any material respect or matter.

120. Under ORS 59.245(2), a person shall promptly and truthfully reply to an inquiry from the Director in relation to any matter connected directly or indirectly with an offer, purchase or sale of any security or the conduct of a securities business. The person shall reply using the form of communication the Director requests, and the person shall verify the reply in the manner and form that the director specifies. A person's reply under this subsection is subject to the provisions of ORS 59.135(4) and 59.451.

121. Under ORS 59.451, it is unlawful for any person who is the subject of an investigation under ORS 59.245 or examination under ORS 59.235, directly or indirectly, to make or file or cause to be made or filed with the Director any statement, report or document which is false in any material respect or manner.

122. Respondent violated ORS 59.135(4), ORS 59.245(2), and 59.451 by failing to truthfully reply to the Director's inquiries and by making or filing or causing to be made or filed with the Director any statement, report, or document, which Respondent knew to be false in any material respect or manner, including:

A. Respondent's statements that WB and WB's son did not have cell phones and thus could not use their own phones for 2FA authentication;

B. Respondent's statements that WB knew about and approved of using the cell phone of Respondent's colleague DK for 2FA purposes;

C. Respondent's statements that WB wanted Respondent to be his financial advisor;

///

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

D. Respondent's statements that WB's paperwork was rejected as being "not in good order";

E. Respondent's statements that WB electronically signed the documents during the meeting at his residence on August 15;

F. Respondent's statements that he never used a third-party's phone number for 2FA purposes for anyone other than WB, despite having done so for CC;

G. Respondent's statements that CC signed documents in his office on June 29, 2023, despite the fact that the electronic signatures were completed on July 3, a day that CC was working and was not with Respondent;

H. Respondent's statements that CC electronically signed documents to transfer her accounts;

I. Respondent's statements that DL signed her own documents electronically;

J. Respondent's statements that he never created an email to electronically sign documents on behalf of a client other than WB despite doing so for DL; and

K. Respondent's statements that DD signed his own documents electronically.

123. Under ORS 59.205(2), the Director may by order deny, suspend or revoke, or impose conditions or restrictions on, a license of a person as a broker-dealer, state investment adviser, investment adviser representative or salesperson if the Director finds that the applicant or licensee has engaged in dishonest, fraudulent or illegal practices or conduct in any business or profession or unfair or unethical practices or conduct in connection with the purchase or sale of any security.

124. Respondent engaged in dishonest, fraudulent, or illegal practices or conduct in his business or profession by violating ORS 731.296, ORS 731.260, ORS 59.135, ORS 59.245(2), and 59.451, as outlined above, which is grounds to suspend or revoke his

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

investment adviser representative license under ORS 59.205(2).

125. Under OAR 441-205-0145(1), a person who is a State Investment Adviser or an Investment Adviser Representative for a State Investment Adviser is a fiduciary and has a duty to act primarily for the benefit of the Adviser's clients. The rule contains an enumerated but non-comprehensive list of such duties that apply to investment adviser representatives.

126. Under OAR 441-205-0145(2), the conduct set forth in OAR 441-205-0145(1) is not inclusive. Engaging in other conduct such as non-disclosure, incomplete disclosure, or deceptive practices shall be deemed a dishonest, fraudulent or unethical business practice.

127. By engaging in conduct that is violative of ORS 731.296, ORS 731.260, ORS 59.135, ORS 59.245(2), as outlined above, Respondent engaged in deceptive practices that constitute dishonest, fraudulent, or unethical business practices in violation of his fiduciary duties under OAR 441-205-0145.

128. Under ORS 59.105(d), the Director may by order deny, suspend or revoke any registration, if the Director finds that the applicant, registrant or issuer has been or is engaged or is about to engage in dishonest or fraudulent conduct with regard to securities.

129. Because Respondent violated ORS 59.135, ORS 59.245(2), and 59.451, the Director may suspend or revoke Respondent's registration as an investment advisor representative under ORS 59.105(d).

130. Under ORS 59.245(3), if the Director has reason to believe that any person has engaged, is engaging or is about to engage in any violation of the Oregon Securities Law, the Director may issue an order, subject to ORS 59.295, directed to the person to cease and desist from the violation or threatened violation.

///

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

131. Because the Director has reason to believe that Respondent has engaged or is engaging in violations of the Oregon Securities Law, including ORS 59.135, ORS 59.245(2), ORS 59.451, and OAR 441-205-0145, the Director may issue an order directing Respondent to cease and desist from those violations.

132. Under ORS 59.995(1)(a), except as provided in paragraphs (b) and (c) of this subsection, in addition to all other penalties and enforcement provisions provided by law, any person that violates or procures, aids or abets the violation of this section and ORS 59.005 to 59.505, 59.710 to 59.830 and 59.991 or any rule or order of the Director is subject to a penalty of not more than $20,000 for every violation, which must be paid to the General Fund of the State Treasury.

133. Under ORS 59.995(1)(c), a person that violates or procures, aids or abets a violation of this section or ORS 59.005 to 59.505, 59.710 to 59.830 and 59.991 or any rule or order of the Director and that knows or should know that the act or practice that constitutes the violation injures, or is otherwise directed at, a vulnerable person, as defined in ORS 124.100, is in addition to all other penalties and enforcement provisions provided by law subject to a penalty of not more than $60,000 for each violation, which must be paid to the General Fund of the State Treasury.

134. Under ORS 124.100(1)(e), "vulnerable person" means, among other things, an elderly person.

135. Under ORS 124.100(1)(a), "elderly person" means a person 65 years of age or older.

136. Under ORS 124.100 and ORS 59.995(1)(c), WB, DL, and DD are vulnerable persons.

137. Because Respondent violated the Oregon Securities Law, including ORS 59.135, ORS 59.245(2), ORS 59.451, and OAR 441-205-0145, Respondent is subject to a

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

civil penalty of $20,000 for each violation, or $60,000 for each violation that he knew or should have known injured or was otherwise directed at a vulnerable person, under ORS 59.995(1)(a) and (1)(c).

ORDERS

The Director issues the following ORDERS:

Final Orders to Cease and Desist

138. Pursuant to the authority of ORS 731.252(1), the Director hereby orders Respondent to CEASE AND DESIST from violating ORS 731.296, ORS 731.260, ORS 744.074(1)(h), ORS 744.074(1)(k), ORS 743.262, and OAR 836-080-0090.

139. Pursuant to ORS 59.245(3), the Director hereby orders Respondent to CEASE AND DESIST from violating ORS 59.135, ORS 59.245(2), 59.451, and OAR 441-205-0145.

Final Orders Assessing Civil Penalties

140. Pursuant to the authority of ORS 731.988(1), the Director hereby ORDERS the assessment of CIVIL PENALTIES against Respondent in the amount of twenty-eight thousand dollars ($28,000) for violating ORS 731.296, ORS 731.260, ORS 744.074(1)(h), ORS 744.074(1)(k), ORS 743.262, and OAR 836-080-0090.

141. Pursuant to the authority of ORS 59.995(1)(a) and (1)(c), the Director hereby ORDERS the assessment of CIVIL PENALTIES against Respondent in the amount of fifty thousand dollars ($50,000) for violating ORS 59.135, ORS 59.245(2), ORS 59.451, and OAR 441-205-0145.

142. The Director hereby SUSPENDS collection of fifty-three thousand dollars ($53,000) of the foregoing civil penalties, provided that Respondent complies with the terms of this Consent Order, the Insurance Code, and the Oregon Securities Law.

///

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

143. Respondent shall pay the remaining twenty-five thousand dollars ($25,000) of civil penalties in five (5) equal installment payments of $5,000 each. The first $5,000 payment shall be submitted at or prior to the time Respondent returns this signed Consent Order. Each subsequent payment shall be made monthly, with the first such payment due one month after this Consent Order becomes a final order. The Division will provide an invoice to Respondent with payment instructions.

144. The Director agrees to waive the foregoing suspended fifty-three thousand dollars ($53,000) of civil penalties at the end of a period of three (3) years from the date this Consent Order is fully executed, provided that Respondent complies with all terms of this Consent Order, the Insurance Code, and the Oregon Securities Law. If Respondent fails to comply with those statutes and rules or otherwise fails to comply with the terms and conditions of this Consent Order within the foregoing period of three (3) years, then the fifty-three thousand dollar ($53,000) suspended civil penalty shall become immediately due and payable.

Final Order Revoking License and Barring Licensure

145. Pursuant to the authority of ORS 59.205(2), the Director hereby REVOKES Respondent's investment adviser representative license.

146. Respondent shall not apply for a license as an investment adviser representative in Oregon and shall not be employed by or associated with a state or federal covered investment adviser in any capacity that would require a securities industry license.

Final Order Placing License on Probation

147. Pursuant to the authority of ORS 744.074(1), the Director hereby places Respondent's insurance producer license on PROBATION for a period of three (3) years from the date that this Consent Order becomes final.

148. During the period of probation:

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

A. Respondent may not sell, solicit, or negotiate any contract for any annuity product other than as described below.

B. Respondent shall engage a third-party acceptable to the Division that shall conduct compliance reviews of all of Respondent's proposed sales of annuities (the "Third-Party Compliance Reviewer").

C. The Third-Party Compliance Reviewer shall contact all of Respondent's customers or potential customers who agree to purchase an annuity by or through Respondent prior to the execution of any annuity contract or submission of an application for the same to any insurance carrier. Such contact shall be in writing or by telephone. If by telephone, all calls shall be recorded. The writing or recording shall be retained for a period of three (3) years and shall be produced to the Division or the insurance carrier immediately upon request.

D. The Third-Party Compliance Reviewer shall communicate with such clients or potential clients to determine whether the client voluntarily agreed to purchase an annuity from Respondent, without any coercion, duress, or other undue influence, and that the client voluntarily signed any application or other documents in connection with the purchase or attempted purchase of an annuity.

E. If the Third-Party Compliance Reviewer determines that the client did not voluntarily apply for the annuity, did not sign the application documents, or does not understand the foregoing terms of the annuity, the Third-Party Compliance Reviewer shall notify Respondent, the proposed annuity carrier, and the Division. Any such notification shall be accompanied by copies of the written or recorded communications.

F. The Third-Party Compliance Reviewer shall have knowledge and experience

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

with respect to annuities to allow it to perform the foregoing tasks.

G. Respondent shall not submit any application for any annuity product on behalf of any customer prior to the Third-Party Compliance Reviewer completing its review and determining the client voluntarily applied for the annuity, voluntarily signed the application, and understands the terms of the annuity.

H. At or prior to the time Respondent submits this signed Consent Order, Respondent shall provide the Division with a copy of an executed contract with a Third-Party Compliance Reviewer that includes the foregoing terms and that details the experience of the proposed Third-Party Compliance Reviewer with the substance and sale of annuities.

I. If at any time Respondent fails to be under contract with a Third-Party Compliance Reviewer, Respondent shall cease engaging in all insurance activities with respect to the sale, solicitation, or negotiation of any annuity product. If or when Respondent identifies a new Third-Party Compliance Reviewer, Respondent shall submit to the Division for review and approval the contract with that new entity detailing compliance with the foregoing terms prior to resuming the sale, solicitation, or negotiation of any annuity product.

J. Respondent shall provide a report to the Division twice per year in 6-month intervals, starting six months from the date this Consent Order becomes final. Such reports shall include a list of all annuities sold during the prior six-month period, including the name, address, phone number, and age of the customer; the premium payment for the annuity; the name of the carrier and the policy number; the date the Third-Party Compliance Reviewer completed its review with the customer; and the date of sale. Respondent shall provide a separate report of any proposed or attempted sale of any annuity that was not completed

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

either because the Third-Party Compliance Reviewer was unable to verify the sale with the customer or because the carrier rejected the application, and Respondent shall provide a narrative explanation detailing the facts and circumstances of each such proposed or attempted sale.

K. Respondent shall submit all reports in connection with this Consent Order electronically by email to Adam Blechman at adam.blechman@dcbs.oregon.gov.

NONDISCHARGEABILITY

149. Respondent agrees that the facts and violations set forth in this Order may be taken as true without further proof in any bankruptcy case or subsequent civil litigation the Director may pursue to enforce its rights to any payment or money judgment under the terms of this Order, including but not limited to any nondischargeablity complaint in any bankruptcy proceeding and that this Order shall have collateral estoppel effect in any bankruptcy case.

///

///

///

///

///

///

///

///

///

///

///

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

FINAL ORDER

150. 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.

IT IS SO ORDERED.

Dated this 30th day of September, 2026.

SEAN O'DAY, Director
Department of Consumer and Business Services

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

[The remainder of this page intentionally left blank.]

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

CONSENT TO ENTRY OF ORDER

I, Adam R. French, have read the foregoing Consent Order and I 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, and I have been represented by counsel in this matter. 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 order. I understand that this is a "Final Order" under ORS 183.310(6)(b). I understand that the Director reserves the right to take further action to enforce this Order or to take appropriate action upon discovery that I have committed other violations of the Insurance Code or the Oregon Securities Law. I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

Signature: /s/ Adam R. French

Name: Adam R French

State of Oregon

County of Mulnomah

Signed or attested before me on this 15 day of September, 2026 by Samantha Cecilia Pulido.

/s/ Samantha Cecilia Pulido

Notary Public

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