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

In the Matter of:	Case No. INS-25-0021
JAMES H. GIBSON, Respondent.	FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTIES, FINAL ORDER REVOKING LICENSE, AND CONSENT TO ENTRY OF ORDER

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 James H. Gibson ("Respondent"). The Division determined that Respondent violated provisions of Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750 ("Insurance Code") and the Oregon Administrative Rules ("OAR") promulgated under those laws.

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

Now, therefore, as evidenced by the signatures subscribed herein, Respondent hereby consents to entry of this order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent was first licensed as an Oregon resident insurance producer on June 21, 2022. Respondent holds lines of authority to sell property, casualty, life, and health insurance. Respondent's National Association of Insurance Commissioners National Producer Number is 20342730.

2. At all relevant times, Respondent was an employee of a State Farm independent contractor, a licensed resident business entity insurance producer (the "Agency").

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3. In August 2024, Respondent assumed the duty of making daily bank deposits for the Agency's Roseberg branch office. The owner of the Agency had instructed Respondent to make those deposits no later than the business day after receiving the funds.

4. Under the Insurance Code, cash premium payments must be deposited within 72 hours of receiving the cash, and other premium payments (e.g., by check) must be deposited within seven days.

5. In October and September 2024, bank deposits that Respondent was handling were late or missing.

6. On nine occasions, Respondent did not deposit the funds timely. The total amount of those funds not deposited timely was $5,893.67, including $3,944.66 that was deposited late and $1,949.01 that was never deposited at all.

7. On seven of those nine occasions, Respondent deposited a total of $3,944.66 more than 72 hours after receipt of those funds. On those occasions Respondent took cash premium funds for himself instead of depositing them, used those funds for his own personal purposes for a period of time, and then replenished the funds at a later date. If the agency received checks on the same date as cash, Respondent held onto those checks and then deposited them later when he replenished the cash.

8. In the remaining two of the nine occasions, Respondent never deposited a total of $1,949.01 in cash.

9. Respondent also took $168 from the office's petty cash, bringing the total missing due to his actions to $2,117.01 ($1,949.01 + $168.00).

10. Respondent admitted to the Agency and later to the Division that he misappropriated or stole the foregoing funds and that he intentionally withheld and deposited late the other funds.

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11. On November 21, 2024, the Division received a notice of termination for cause from State Farm, alleging that Respondent had improperly withheld, misappropriated, or converted money or property received in the course of doing insurance business in violation of the Insurance Code.

12. On November 30, 2024, Respondent entered into a repayment agreement with the Agency to reimburse the missing $2,116.41[1] by paying $150 per month. Respondent has made some but not all of those monthly payments timely.

13. On December 31, 2024, Gibson apologized to the Agency for his conduct via text message, and noted he was struggling with depression, alcohol, drugs, and gambling. On February 20, 2025, Gibson wrote a letter to the Division admitting the same. He stated, "In September I began stealing money from [the] Agency. From somewhere around the beginning of September until the end of October I was stealing and covering my tracks."

CONCLUSIONS OF LAW

The Director CONCLUDES that:

14. 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.

15. Respondent is an "insurance producer" under ORS 731.104.

16. Under OAR 836-074-0025, when deposit is required, the insurance producer shall deposit the funds not later than the seventh day after they are received.

17. Under OAR 836-074-0025(3), when an insurance producer receives a payment of premium funds in the form of cash or an instrument requiring endorsement by the insurance producer, the insurance producer shall deposit the premium funds in the trust account or endorse

[1] Note this amount is $0.60 different than the $2,117.01 it appears Respondent misappropriated from the Agency.

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and forward the instrument to the insurer.

18. Under OAR 836-074-0025(3)(a)(B), when an insurance producer receives payment of a premium funds in cash, the insurance producer must convert the cash to a negotiable instrument made out to the insurer and forward payment to the insurer within 72 hours.

19. By failing to timely deposit $3,944.66 in premium funds on seven occasions, Respondent violated OAR 836-074-0025.

20. By failing to deposit at all $1,949.01 in premium funds on two occasions, Respondent further violated OAR 836-074-0025.

21. 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:

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> (d) improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business; [and]
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> (h) using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

22. By misappropriating or converting money received in the course of doing insurance business, including premium payments and office petty cash, Respondent is subject to license probation, suspension, or revocation under ORS 744.074(1)(d).

23. By using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state, by

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misappropriating funds to use for personal expenses and never depositing or depositing late those funds into the agency trust account, and further by stealing office petty cash, Respondent is subject to license probation, suspension, or revocation under ORS 744.074(1)(h).

24. 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.

25. Because the Director has reason to believe that Respondent has violated the Insurance Code, including OAR 836-074-0025, the Director may issue an order directed to Respondent to discontinue or desist from those violations under ORS 731.252(1).

26. 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.

27. Because Respondent has violated the Insurance Code, Respondent is subject to a civil penalty under ORS 731.988(1).

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ORDERS

The Director issues the following ORDERS:

Final Order to Cease and Desist

28. Pursuant to the authority of ORS 731.252(1), the Director hereby orders Respondent to CEASE AND DESIST from violating OAR 836-074-0025.

Order Revoking License

29. Pursuant to the authority of ORS 744.074(1), the Director hereby REVOKES Respondent's insurance producer license.

Order Assessing Civil Penalties

30. Pursuant to the authority of ORS 731.988(1), the Director hereby ORDERS the assessment of CIVIL PENALTIES against Respondent in the amount of nine thousand dollars ($9,000) for violating OAR 836-074-0025 on nine separate occasions.

31. The Director SUSPENDS collection of eight thousand dollars ($8,000) of the foregoing civil penalties, provided that Respondent:

A. Repays the Agency in accordance with the November 30, 2024 repayment plan and provides proof of the same to the Division by December 31, 2025 or at the time he has fully repaid the Agency in accordance with the repayment agreement, whichever comes first;

B. Pays the remaining one thousand dollars ($1,000) in civil penalties to the Division in four installments as follows:

i. Respondent shall submit $250.00 along with this signed Consent Order;

ii. Respondent shall submit $250.00 by or before each of September 15, October 15, and November 15, 2025;

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C. Agrees to refrain from re-applying for any license the Division issues for a period of three years from the date this Consent Order is fully executed, at which point Respondent may submit an application for a license to the Division but the Division is not obligated to issue any such license; and

D. Otherwise complies with this Consent Order and the Insurance Code.

32. The Director agrees to waive the foregoing suspended eight thousand dollars ($8,000) 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 and the Insurance Code. If Respondent fails to comply with the Insurance Code or otherwise fails to comply with the terms and conditions of this Consent Order within the foregoing period of three (3) years, then the eight thousand dollars ($8,000) suspended civil penalty shall become immediately due and payable.

NONDISCHARGEABILITY

33. Respondents agree 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.

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FINAL ORDER

34. 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 5th day of August, 2025.

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

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
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CONSENT TO ENTRY OF ORDER

I, James Gibson, 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. 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. I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

Signature: */s/ James H. Gibson*

Name: James H Gibson

State of Oregon

County of Douglas

Signed or attested before me on this 14th day of July, 2025 by James H Gibson.

/s/ Aubrey Hope Schumacher

Notary Public

My commission expires January 02, 2028

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