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

In the Matter of JERMAINE OTIS JOHNSON, (NPN#18915405) Respondent.	Case No. INS-22-0113 FINAL ORDER TO CEASE AND DESIST, REVOKING LICENSE, DENYING LICENSE APPLICATION, AND ASSESSING CIVIL PENALTIES, ENTERED BY DEFAULT

On November 17, 2022, 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, 744, 746, 748 and 750 ("Insurance Code"), issued and served a Notice Order against Jermaine Otis Johnson ("Johnson"), informing Johnson that the Director proposed to deny his Oregon nonresident insurance producer license renewal application, revoke his nonresident insurance producer license, and asses civil penalties against Johnson for certain violations of the Insurance Code.

The Notice offered Johnson an opportunity for a hearing if requested within 60 days of the Notice. The Notice further informed Johnson that if a hearing were not conducted because Johnson did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Johnson in this case would automatically become part of the contested case record for the purpose of proving a prima facie case.

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

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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. Johnson is a California resident with his last recorded address at 1299 Antelope Creek Dr 48, Roseville, CA 95678.

2. On January 25, 2022, Johnson submitted an application with the Division of Financial Regulation ("Division") for a nonresident insurance producer license. In his application, Johnson falsely answered "no" to question 1(a), which asked whether he had ever been convicted of a misdemeanor, had a judgment withheld or deferred, or was currently charged with committing a misdemeanor. Johnson was automatically issued a license based on his answer to question 1(a).

3. On April 20, 2022, a supplemental application to add a line of authority to Johnson's license was submitted. On this application, question 1(a) was marked "yes", however no background documents were provided.

4. On May 26, 2022, the Division contacted Johnson and directed him to provide an explanation for his conflicting answers to question 1(a), along with documentation of his possible conviction. Johnson did not respond or provide the requested information.

5. On July 29, 2022, the Division sent notice to Johnson informing him that his nonresident producer license would be made inactive and that if he did not respond to the Division's request by August 29, 2022, the matter would be referred to enforcement for administrative action. Johnson did not respond to this request.

6. On August 31, 2022, the Division attempted to call Johnson and received messages stating that the recipient was not taking calls and that the voicemail box had not been set up.

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7. On October 11, 2022, the Division once again requested clarification on the conflicting responses to question 1(a) and supporting documents. Johnson was also warned that failure to respond to the Division's inquiry may result in the revocation and/or suspension of his nonresident insurance producer license and the assessment of civil penalties.

8. As of the time of this Order, Johnson has still not responded to any of the Division requests or provided the required documentation.

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. Johnson violated ORS 744.074(1)(a) when he submitted two applications with conflicting information regarding his criminal background, thereby authorizing the Director to revoke Johnson's license and deny his April 2022 license application.

10. 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. Johnson violated ORS 731.296 when he failed to respond to the Division's requests and provide the requested documentation, as set forth in Paragraphs four through eight above.

11. ORS 744.074(1)(b) authorizes the Director to place a licensee on probation or to suspend, revoke or refuse to issue or renew a license for violating any insurance laws. Johnson's violation of ORS 731.296 authorizes the Director to revoke Johnson's license and deny his license application, pursuant to ORS 744.074(1)(b).

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12. 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 to discontinue or desist from such violation or threatened violation. Because the Director has reason to believe that Johnson committed the foregoing violation of ORS 744.074(1)(a) and 731.296, the Director may issue an order to Johnson to cease and desist, pursuant to ORS 731.252(1).

13. ORS 731.988(1) authorizes the Director to impose civil penalties against an individual insurance producer in the amount up to $1,000 per violation for any violation of the Insurance Code, including violations of ORS 744.074 and 731.296.

ORDERS

The Director issues the following ORDERS:

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

15. Pursuant to ORS 744.074(1)(a) and (b), the Director hereby DENIES Johnson's application to add a line of authority to his nonresident individual insurance producer license.

16. Pursuant to ORS 744.074(1)(a) and (b), the Director hereby REVOKES Johnson's nonresident individual insurance producer license.

17. The Director, pursuant to ORS 731.988(1), ORDERS that Johnson be subject to a CIVIL PENALTY of $500 for violating ORS 744.074 and 731.296.

DESIGNATION OF RECORD

18. Pursuant to ORS 183.417, the Director designates the Director's file on this matter, which includes any materials submitted by Johnson, as the record in this case.

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19. In accordance with OAR 137-003-0670(3)(a)-(b), the record contains sufficient evidence of the existence of facts necessary to support a final order by default should the Director issue such an order.

IT IS SO ORDERED.

Dated this 26th day of January, 2023.

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

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

NOTICE OF RIGHT TO JUDICIAL APPEAL

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

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