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

In the Matter of DENO C. MALACHIAS, (NPN#17800758) Respondent.	Case No. INS-23-0075 FINAL ORDER TO CEASE AND DESIST, ORDER ALLOWING VOLUNTARY WITHDRAWL OF LICENSE APPLICATION, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 ("Insurance Code"), has conducted an investigation of the nonresident insurance producer license application of Deno C. Malachias ("Malachias").

Malachias has resolved this matter with the Director by voluntarily withdrawing his Oregon nonresident insurance producer license application.

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

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

FINDINGS OF FACT

The Director FINDS that:

1. Malachias is a Florida resident with his last recorded address at 332 Tavernier Dr., Oldsmar, Florida 34677.

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350 Winter Street NE, Suite 410
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2. On August 22, 2017, an application was submitted with the Division of Financial Regulation ("Division") for Malachias to obtain a nonresident insurance producer license. The application falsely answered "no" to questions 1(a) which asked whether Malachias had ever been convicted of a misdemeanor, had a judgment withheld or deferred, or was currently charged with committing a misdemeanor.[1] Question 1 (b) which asked whether he had ever been convicted of a felony, had a judgment withheld or deferred, or are was currently charged with committing a felony, also contained a "No" response. However, Malachias was convicted in 1996 for felony child abuse, misdemeanor battery, felony aggravated assault on a law enforcement officer, and misdemeanor carrying a concealed weapon. The judgments in these criminal cases were subsequently withheld. Malachias' application was approved and the license was issued automatically in 2017 based on the false responses.

3. On August 2, 2021, Malachias submitted an application with the Division to apply for a license as his previous license was inactive. In this application he answered "yes" to question 1(a) and 1(b), reporting both felony and misdemeanor convictions, all of which predated his 2017 application.

4. On October 1, 2021, the Division requested a letter of explanation concerning the false answers on the 2017 application. Malachias responded on October 5, 2021, providing copies of requested documents and representing that his prior employer submitted the 2017 application on his behalf, that he had provided the employer with all of the information relating to the convictions, and that he did not know the employer submitted a false application. That employer is no longer in business.

5. The Division offered Malachias the opportunity to voluntarily withdraw his license application in lieu of a denial.

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[1] The convictions include Child Abuse III, Battery I, Aggravated Assault on a Law Enforcement Officer II, and Carrying a Concealed Weapon I. The judgments for these convictions were withheld.

CONCLUSIONS OF LAW

The Director CONCLUDES that

6. 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. Malachias violated ORS 744.074(1)(a) when he allowed his former employer to submit an application on his behalf with false information regarding his criminal background, thereby authorizing the Director to deny Malachias' August 2021 license application.

7. 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 Malachias committed the foregoing violation, the Director may issue an order to Malachias to cease and desist, pursuant to ORS 731.252(1).

8. 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.

ORDERS

The Director issues the following ORDERS:

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

10. The Director hereby grants Malachias' request to voluntarily surrender his Oregon nonresident insurance producer license, in lieu of the Director denying his license application.

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

IT IS SO ORDERED.

Dated this 12th day of March, 2024.

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

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

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CONSENT TO ENTRY OF ORDER BY DENO C. MALACHIAS

I, Deno C. Malachias , state that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this 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; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Deno C. Malachias
Deno C. Malachias

State of: Florida

County of: Pinellas

Signed or attested before me on this 6th day of March 2024.

by Deno C. Malachias.

/s/ Daniel Caraballo
Notary Public

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