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

In the Matter of: PARK NELSON, an Individual, and CHETCO LLC, an Oregon Limited Liability Company, Respondent.	Case No. INS-25-0012 ORDER TO CEASE AND DESIST, ORDER REVOKING LICENSES, ORDER ASSESSING CIVIL PENALTY, 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"), conducted an investigation into the activities of Park Nelson ("Nelson") and Chetco LLC ("Chetco") (collectively, "Respondents") and determined that Respondents engaged in activities constituting violations of the Insurance Code.

Respondents wish to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the authorized signatures subscribed on this Order, Respondents hereby CONSENT to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

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FINDINGS OF FACT

The Director FINDS that:

1. On June 3, 2019, Nelson was issued an Oregon resident insurance producer license. His National Producer Number ("NPN") is 13968728.

2. On May 1, 2020, Chetco was issued an Oregon business entity insurance producer license. Chetco's NPN is 19483238.

3. Nelson is Chetco's sole owner and designated responsible licensed producer ("DRLP"). At all relevant times he acted on Chetco's behalf.

4. Respondents' principal place of business is 541 Willamette Street #217, Eugene, OR 97401 ("Willamette Office").

5. On May 10, 2024, Respondents obtained a quote for a general liability insurance policy for a business owned by Oregon resident NSF.

6. On May 11, 2024, NSF gave Nelson a cashier's check for $16,572.37 to pay for the policy. That day, Nelson deposited the check in Respondents' Chase business account ("Business Account").

7. On May 12, 2024, Nelson contacted Bass Underwriters ("Bass") to request they bind NSF's policy, effective May 13, 2024.

8. On May 13, 2024, Nelson transferred NSF's premium funds to Respondents' Chase trust account ("Trust Account").

9. Respondents never transferred NSF's premium funds to Bass.

10. On May 14, 2024, NSF notified Nelson he wanted to cancel the policy. Nelson communicated the cancellation request to Bass.

11. On May 21, 2024, Bass notified Nelson that NSF's policy had been "flat cancelled," meaning the policy was retroactively canceled on its inception date, such that no premium was owed.[1]

Mishandling and Misappropriation of Premium Funds

12. From May 11, 2024 through June 12, 2024, Nelson made the following disbursements of NSF's premium funds from the Trust Account:

A. On May 15, 2024, he paid his uncle "JJ" $500 via check;

B. On May 15, 2024, he paid $100 towards the balance on his Chase credit card ("Credit Card");

C. On May 23, 2024, he transferred $2,000 to the Business Account to make the following purchases:

[1] On May 22, 2024, Bass sent Nelson a second notification to confirm the flat cancellation of NSF's policy.

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(a) $994.20 for three plane tickets to Hawaii;

(b) $346.48 for an Airbnb rental;

(c) $550 for scuba diving lessons; and

(d) $110 for varied food, gas and retail purchases;

D. On May 29, 2024, he paid "HC" $139 via check;

E. On May 29, 2024, he transferred $1,000 to the Business Account to make the following disbursements and purchases:

(a) $609.43 to 51-140 LLC for a deposit on new office space; and

(b) $404.81 for varied gas and retail purchases;

F. On June 4, 2024, he transferred $400 to the Business Account to make the following purchases and withdrawals:

(a) $203.75 for an ATM withdrawal at "Full House Poker"; and

(b) $167.75 for varied food, gas and retail purchases;

G. On June 6, 2024, he paid $555.04 to J & J Insurance;[2]

H. On June 7, 2024, he paid $582.47 to Gainsco Insurance;[3]

I. On June 10, 2024, he transferred $9,000 to his Chase Personal Account ("Personal Account"). On June 11, 2024, he transferred $8,000 from the Personal Account to his Morgan Stanley Private Bank, National Association E*TRADE account ("E*TRADE Account").[4] That day, he purchased $7,995.63 in stocks from the E*TRADE Account; and

J. On June 12, 2024, he transferred $500 to the Business Account to pay $495 for scuba lessons.

Failure to Provide Timely Refund and Related Misrepresentations

13. Nelson repeatedly and falsely maintained he had transferred NSF's premium

[2] When asked, Nelson could not confirm on whose behalf these funds were spent.
[3] When asked, Nelson could not confirm on whose behalf these funds were spent.
[4] E*TRADE, a subsidiary of Morgan Stanley, is an electronic trading platform for investors.

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funds to Bass, was awaiting their refund payment once the policy was cancelled, and had mailed a refund payment to NSF.

14. On June 14, 2024, Nelson told NSF he was waiting for a refund payment from Bass, despite having already spent the premium funds as described in Paragraph (12).

15. On June 20, 2024, Nelson texted NSF and claimed he had just received a refund payment from Bass that morning.

16. On June 28, 2024, Nelson told NSF he mailed a refund payment to the registered agent for NSF's business.[5] [6]

17. From July 5, 2024 through July 11, 2024, Nelson sold the stocks he had purchased on June 11, 2024, and transferred $9,586 from the E*TRADE Account to the Personal Account.

18. On July 11, 2024, Nelson told Division staff he had transferred NSF's premium funds to Bass and was still awaiting receipt of their refund payment. That same day, Nelson e-mailed NSF and claimed he had received the refund payment from Bass and would send it to him.

19. On July 14, 2024, Nelson e-mailed NSF and claimed Respondents had earned 25% of the premium fees as a commission for the sale of his policy, despite the policy having been flat cancelled.

20. On July 18, 2024, NSF received a refund payment of $11,392.50.

21. On July 25, 2024, Division staff asked Nelson why Respondents had collected a commission on NSF's policy, as it had been flat cancelled. Nelson claimed he didn't know the policy had been flat cancelled.

22. On or around July 26, 2024, Respondents issued a check to NSF for the

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[5] On July 2, 2024, having not received a refund, NSF filed a complaint with the Division of Financial Regulation ("Division").

[6] On July 30, 2024, Nelson e-mailed Division staff and admitted he lied to NSF about his premium refund "in an attempt to reduce his anger towards me."

remaining $5,180.37 they owed him. They had insufficient funds to cover the payment and it was rejected when NSF tried to deposit it.

23. On September 14, 2024, 123 days after his policy was cancelled, NSF received a complete refund of his premium funds.

Additional Misrepresentations

24. On September 11, 2024, in response to Division inquiries, Nelson falsely claimed:

A. He mailed NSF's premium funds to Bass via check; and

B. He believed Bass would handle NSF's refund and didn't know it was his responsibility.

25. On September 30, 2024, in response to Division inquiries, Nelson falsely denied knowledge of the E*TRADE Account, claiming "I don't know that bank and I don't have an account number. I've never had an account there."

26. In a December 10, 2024 investigatory interview, Nelson falsely denied knowledge of 51-1040 LLC and the payment identified in Paragraph (12)(E)(a). After reconsideration, he admitted it was a deposit on office space at the Willamette Office.

Commingling of Funds and Failure to Maintain Accounting System

27. From January 2, 2024 through October 16, 2024, Nelson made 58 deposits in the Trust Account that were unrelated to Respondents' insurance business. The majority of deposits represented income generated from an unrelated business of Nelson's.

28. In various communications with the Division, Nelson admitted he had not created or maintained any records, or an accounting system, for Respondents' insurance business.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

29. Respondents withheld and misappropriated NSF's premium funds, in violation

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of ORS 744.074(1)(d), by:

A. Making the disbursements, purchases, and withdrawals identified in Paragraph (12); and

B. Knowingly delaying the refund of NSF's premium funds, as set forth in Paragraphs (13) – (23).

30. Respondents engaged in fraudulent and dishonest practices, in violation of ORS 744.074(1)(h), by engaging in the conduct identified in Paragraph (29).

31. Respondents demonstrated financial irresponsibility in the conduct of their business, in violation of ORS 744.074(1)(h), by:

A. Engaging in the conduct identified in Paragraph (29);

B. Depositing NSF's premium funds in the Business Account rather than the Trust Account, as set forth in Paragraph (6);

C. Commingling premium funds in their Trust Account with other monies, as set forth in Paragraph (27); and

D. Failing to establish and maintain records and an appropriate accounting system for their premium funds, as set forth in Paragraph (28).

32. Because Respondents engaged in the foregoing violations of ORS 744.074(1)(d) and (h), the Director may revoke their insurance producer licenses.

33. By depositing NSF's premium funds in the Business Account rather than the Trust Account, Respondents violated OAR 836-074-0020(1).

34. By commingling premium funds in their Trust Account with other monies, Respondents violated ORS 744.083(2) and OAR 836-074-0035.

35. By failing to establish and maintain records and an appropriate accounting system for their premium funds, Respondents violated OAR 836-074-0045(1).

36. By failing to refund NSF's premium funds until 123 days after his policy was cancelled, as set forth in Paragraph (23), Respondents violated OAR 836-074-0025.

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37. By failing to truthfully respond to the Director's inquiries, as set forth in Paragraphs (18), (21), and (24) – (26), Respondents violated ORS 731.296.

38. Because Respondents engaged in the foregoing violations of ORS 744.083(2), OAR 836-074-0020(1), OAR 836-074-0035, OAR 836-074-0045(1), OAR 836-074-0025, and ORS 731.296, the Director may revoke their insurance producer licenses, under ORS 744.074(1)(b).

39. Because the Director has reason to believe that Respondents have been engaged in violations of the Insurance Code, the Director may issue an order to Respondents to cease and desist, under ORS 731.252(1).

40. The Director may impose a civil penalty of up $10,000 *per violation* upon any person who violates a provision of the Insurance Code, under ORS 731.988(1). The civil penalty for individual insurance producers may not exceed $1,000 for each offense.

ORDERS

Now therefore, the Director issues the following Orders:

41. As authorized by ORS 731.252(1), the Director ORDERS Respondents to CEASE AND DESIST from violating ORS 744.074(1)(d), ORS 744.074(1)(h), ORS 744.083(2), OAR 836-074-0020(1), OAR 836-074-0035, OAR 836-074-0045(1), OAR 836-074-0025, and ORS 731.296.

42. As authorized by ORS 731.988(1), the Director hereby ORDERS that Respondents be jointly and severally subject to a CIVIL PENALTY of $45,000 as follows:

A. $10,000 for violating ORS 744.083(2) and OAR 836-074-0035;

B. $5,000 for violating OAR 836-074-0020(1);

C. $10,000 for violating OAR 836-074-0045(1);

D. $10,000 for violating OAR 836-074-0025; and

E. $10,000 for violating ORS 731.296.

43. The Director hereby suspends payment of $40,000 of the CIVIL PENALTY for

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a period of three years, provided Respondents comply with the terms of this Order.

44. The non-suspended CIVIL PENALTY ($5,000) is due and payable as follows:

A. $2,500 at the time Respondents return this signed Order to the Director; and

B. $2,500 to be paid within 30 days of execution of this Order.

45. As authorized by ORS 744.074(1)(b), (d), and (h), the Director hereby REVOKES Respondents' insurance producer licenses.

46. Respondents shall have 45 days to wind down their Oregon insurance business. These wind down activities may not include the sale, solicitation, or negotiation of insurance in Oregon.

47. Respondents' failure to satisfy any term(s) of this Order will render all suspended and non-suspended penalties immediately due and owing.

48. This Order is binding upon Respondents' successors and assigns.

49. 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.

SO ORDERED this 10th day of December, 2025.

SEAN O'DAY, 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

I, Park Nelson, state that I am an officer of Chetco and I am authorized to act on its behalf. I have read the foregoing Consent Order, and I know and 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. Chetco voluntarily and without any force or duress consents to the entry of this Consent Order expressly waiving any right to a hearing in this matter in this jurisdiction. Chetco understands that the Director reserves the right to take further actions to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Insurance Code. Chetco will fully comply with the terms and conditions stated herein.

Chetco understands that this Consent Order is a public document.

Signature: /s/ Park Nelson

Position Held: Owner

State of Oregon

County of Marion

Signed or attested before me on this 25th day of November, 2025 by Kelly Maddux.

/s/ Kelly Maddux
Notary Public

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CONSENT TO ENTRY OF ORDER

I, Park Nelson, have read the foregoing Consent Order, and I know and fully understand the contents hereof. I have been advised of my right to a hearing and of the right to be represented by counsel in this matter. I voluntarily and without any force or duress consent to the entry of this Consent Order expressly waiving any right to a hearing in this matter in this jurisdiction. I understand that the Director reserves the right to take further actions to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Insurance Code. I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

Signature: /s/ Park Nelson

State of Oregon

County of Marion

Signed or attested before me on this 25th day of November, 2025

by Kelly Maddux.

/s/ Kelly Maddux
Notary Public

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