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

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| In the Matter of:<br><br>PROFESSIONAL BENEFIT SERVICES, INC., an Oregon Corporation,<br><br>Respondent. | Case Nos. INS-23-0067<br><br>FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTY, FINAL ORDER REINSTATING 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"), has conducted an investigation into the activities of Professional Benefit Services, Inc. ("Respondent") and determined that Respondent failed to timely file its annual report with the Director for the year 2022 and failed to satisfy the conditions necessary for the continued suspension and waiver of civil penalties imposed under a consent order entered into pursuant to ORS 183.417(3), ORS 183.745(11), and OAR 137-003-0510(3).

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

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has held an Oregon third party administrator license ("License") since September 02, 2010. Respondent's National Producer Number is 13425961.

2. Respondent's principal place of business is 1193 Royvonne Ave S #22, Salem,

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

Oregon 97302.

3. On August 23, 2022, Respondent and the Division entered into a consent order in Division of Financial Regulation ("Division") case number INS-22-0083, a true and correct copy of which is attached hereto as Exhibit A (the "Consent Order").

4. Under the Consent Order, Respondent agreed to pay a civil penalty imposed by the Director in the total amount of $2,000 (the "Civil Penalty").

5. Under the Consent Order, Respondent agreed that its obligation to pay $1,000 of the Civil Penalty would be suspended only as long as Respondent satisfied certain conditions, including the requirement that Respondent refrained from violating the Insurance Code for a period of three years from the effective date of the Order.

6. Under the Consent Order, Respondent agreed that the Civil Penalty would not be waived if Respondent failed to comply with any term set forth in the Order.

7. Respondent failed to file its 2022 annual report with the Director by March 1, 2023.

8. On April 4, 2023, the Director sent Respondent a warning letter extending the filing deadline to May 1, 2023.[1]

9. Respondent failed to file its 2022 annual report with the Director by May 1, 2023.

10. On May 2, 2023, The Director declared the $1,000 in suspended Civil Penalty to be due and payable as a result of Respondent's failure to satisfy the terms of the Consent Order.

11. Respondent has since filed its 2022 annual report.

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[1] The letter was e-mailed to an address Respondent previously provided in connection with its license. Respondent maintains this is an obsolete address and that it did not receive the letter. Respondent has since provided a new e-mail address for future communications.

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## CONCLUSIONS OF LAW

The Director CONCLUDES that:

12. Pursuant to ORS 744.738(1), third-party administrators are required to file annual reports with the Director by March 1 of each year, or within such extension of time therefor as the Director may grant.

13. By failing to file the 2022 report by March 1 and/or May 1, 2023, Respondent violated ORS 744.738(1).

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

15. 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).

16. The Consent Order resolved Division case number INS-22-0083 in accordance with, *inter alia*, ORS 183.417(3), ORS 183.745(11), and OAR 137-003-0510(3)-(4).

17. The Consent Order is a valid and enforceable final order not subject to the provisions of ORS 183.470 and OAR 137-003-0665(5).

18. Respondent's violation of the Insurance Code, specifically ORS 744.738(1), made the $1,000 in Civil Penalty suspended under the Consent Order due and payable as of May 1, 2023.

19. Respondent is obligated to pay the Civil Penalty imposed under the Consent Order.

## ORDERS

Now therefore, the Director issues the following Orders:

20. As authorized by ORS 731.252(1), the Director hereby ORDERS Respondent to CEASE AND DESIST from violating ORS 744.738(1).

21. As authorized by the Consent Order resolving Division case number INS-22-

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0083 in accordance with ORS 183.417(3), ORS 183.745(11), and OAR 137-003-0510(3)-(4), a true and correct copy of which is attached hereto as Exhibit A, the Director hereby ORDERS that the $1,000 in suspended CIVIL PENALTY imposed on Respondent under the Consent Order be IMMEDIATELY DUE AND PAYABLE as a result of Respondent's failure to satisfy the terms and conditions of the Consent Order, namely by violating ORS 744.738(1) and the Insurance Code.

22. As authorized by ORS 731.988(1), the Director hereby ORDERS that Respondent be subject to a CIVIL PENALTY of $5,000 for violating ORS 744.738(1).

23. The Director hereby suspends payment of $2,000 of the CIVIL PENALTY assessed in Paragraph (22) for a period of three years from the effective date of this Order, provided Respondent:

(A) Pays the $1,000 in CIVIL PENALTY reinstated pursuant to Paragraph (21);

(B) Pays the remaining $3,000 of the CIVIL PENALTY assessed in Paragraph (22); and

(C) Does not violate the Insurance Code within the three-year time period.

24. The non-suspended and reinstated portions of the CIVIL PENALTY assessed herein ($4,000) are due and payable at the time Respondent returns this signed Order to the Director.

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25. The suspended CIVIL PENALTY ($2,000) will be waived in three years from the effective date of this Order, provided Respondent has complied with the foregoing Order terms. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that Respondent has violated any term of this Order.

SO ORDERED this 19th day of December, 2023.

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

I, Rene Jones, state that I am an officer of Respondent and am authorized to act on its behalf. I have read the foregoing Order and know and fully understand the contents hereof. I have been advised of Respondent's right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents 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. Respondent understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code or with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent nor its officers, directors, employees, or agents will effect insurance services in Oregon unless such activities are in full compliance with the Insurance Code. Respondent understands that this Consent Order is a public document.

Signature: /s/ Rene Jones

Position Held: Owner

State of Oregon

County of Marion

Signed or attested before me on this 6th day of December, 2023 by Rene Jones.

/s/ Emmanuel Martinez Bravo
Notary Public

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