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

In the Matter of: RICHARD SWEET AND VANTAGE POINT RISK PARTNERS LLC, Respondents.	Case No. INS-24-0072 FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTIES, FINAL ORDER SUSPENDING LICENSE, FINAL ORDER PLACING LICENSEE ON PROBATION, 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 Richard Sweet ("Sweet") and Vantage Point Risk Partners LLC ("Vantage Point") (collectively, "Respondents"). The Division determined that Respondents 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.

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

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

FINDINGS OF FACT

The Director FINDS that:

1. Respondent Sweet's National Association of Insurance Commissioners ("NAIC") national producer number is 19695198. Sweet has been licensed as an Oregon resident insurance producer since November 5, 2020.

2. Respondent Vantage Point is a domestic limited liability company first

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registered with the Oregon Secretary of State on October 12, 2021. Vantage Point's NAIC national producer number is 20121350. Vantage Point has been licensed as an Oregon resident business entity insurance producer since October 29, 2021.

3. At all relevant times, Sweet has been the managing member and designated responsible licensed producer ("DRLP") for Vantage Point.

4. On or about September 7, 2023, an Oregon consumer, identified herein as RF, purchased a commercial insurance policy from Respondents. RF paid Respondents $8,399 for the premium on that policy.

5. The following day, RF contacted Respondents to indicate she was missing a portion of required coverage. She decided to search for the required coverage with a different agent.

6. On or about September 27, 2023, RF contacted Respondents in writing to request that the policy she purchased be cancelled. On or about the following day, RF contacted Respondents again to request the cancellation. Sweet responded and stated that the refund was being processed.

7. RF contacted Respondents at least eight times between October and December 2023 to request the status of her refund. On or about November 14, 2023, Sweet informed RF that the refund had been issued and there was a standard 21-day waiting period. RF requested but did not receive any tracking information nor did Sweet reply to her additional inquiries. RF did not receive that refund after 21 days.

8. On November 14, 2023, RF filed a complaint with the Division.

9. On November 14, 2023, a Division Consumer Advocate sent a letter to Sweet along with a copy of RF's complaint and requested a response within 21 days.

10. Having received no response from Sweet, the Division Consumer Advocate sent Sweet an email on December 20, 2023, noting that his response had not been received. The Division requested a response no later than December 28, 2023.

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11. On December 29, 2023, the Division Consumer Advocate sent another email to Sweet, again noting that his response had not been received and requesting that he reply by January 8, 2024. Sweet did not respond to that inquiry.

12. On or about January 5, 2024, the Division Consumer Advocate received information from the carrier that provided a quote for RF's request for coverage. The carrier stated that the policy never bound or issued, and that no premium payment was billed or received from Sweet or the wholesale agent.

13. On February 1, 2024, the Division Consumer Advocate called Sweet's office, spoke with an employee there, and requested that Sweet contact him. The Consumer Advocate called back on February 15 and again spoke to an employee there and left another message for Sweet requesting he call back.

14. Sweet never responded to the Division Consumer Advocate's letter, emails, or phone calls.

15. On March 21, 2024, a Division Investigator sent emails and letters to Respondents to request a response to the complaint and some specific questions by April 19, 2024. Among other questions, the Investigator asked for an explanation as to what Respondents had done with the premium funds received from RF; for copies of certain of Respondent's premium trust bank account records; and for an explanation as to why Respondents failed to respond to multiple inquiries from both RF and the Division.

16. On April 16, 2024, in an unrelated matter, the Division issued an order suspending Sweet's license pursuant to ORS 27.750 because Sweet was not in compliance with his court ordered child support obligation.[1]

17. On April 19, 2024, Sweet responded to the Division's inquiry. Regarding why RF had not been issued a refund, Sweet stated that Vantage Point had paid the carrier for RF's coverage, and that he had attempted to get a refund from the carrier but was

[1] See Division case INS-2024-0031.

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unsuccessful. None of this was true, as the policy was never bound and the carrier did not receive any payment from Respondents for a policy for RF. Sweet indicated that Respondents did not have a premium trust account. Sweet also claimed that Respondents were entitled to retain a fee equal to 25% of the premium payment as well as certain other fees. Sweet acknowledged that Respondents failed to respond to the Division's Consumer Advocate's requests but did not provide any specific reason for those failures. Regarding Respondents' failure to respond to RF's contact attempts and request for a refund, Sweet claimed "we tried working with her."

18. On or about May 22, 2024, the wholesale agent from whom Respondents obtained the quote for RF informed the Division that the policy in question never bound and that it never received a premium payment from Respondents or anyone else for the policy. Accordingly, the wholesale agent indicated that a full refund was due to RF from Respondents, and that no commission, downpayment, taxes, fees, or other portion of the payment should be withheld.

19. On May 30, 2024, in the unrelated matter, the Division reinstated Sweet's license after he became compliant with his court-ordered obligation.[2]

20. During the time that Sweet's license was suspended between April 16 and May 30, 2024, Vantage Point continued to operate. Sweet remained Vantage Points DRLP of record, and no other licensed insurance producer assumed that role. During that time, Vantage Point completed 47 insurance transactions with eight different carriers. There is no evidence that Sweet personally engaged in any of those transactions, although a few of those transactions were automatic renewals with Sweet listed as the agent of record. Other transactions were conducted by various Vantage Point agents.

21. On or about June 11, 2024, RF received a refund from Respondents, 258 days after she first requested a refund on September 27, 2023.

[2] See Division case INS-2024-0031.

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22. On June 24, 2024, the Division issued a request to Respondents that included 8 itemized inquiries and requested a response no later than July 12. Among other things, the Division noted that Respondents had deposited RF's premium payments into the agency's business operating account on September 14, 2023; that Respondents had retained that money and never remitted it to an insurer; and that by the following month (October 2023) the balance in Respondents' business operating account was $2,061.40 – meaning that Respondents used RF's payment for business expenses and did not retain sufficient funds to process a refund to RF. The Division requested an explanation. Respondents acknowledged receipt of that inquiry on June 24, 2024.

23. On or about July 8, 2024, Respondents opened a premium trust account.

24. On July 15, 2024, Respondents replied to the Division's inquiry of June 24. That response was late, and Respondents had not requested an extension. Respondents agreed that they had deposited RF's premium into the agency's business account on September 14, 2023, never remitted those funds to an insurer, and used funds from that account for business-related expenses. As a result Respondents noted they failed "to maintain sufficient funds for a timely refund" to RF.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

25. Under ORS 731.116, "person" means an individual or a business entity. For the purpose of this definition, "business entity" means a corporation, association, partnership, limited liability company, limited liability partnership or other legal entity.

26. 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.

27. Sweet is an "insurance producer" under ORS 731.104.

28. Vantage Point is an "insurance producer" under ORS 731.104.

29. 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.

30. By failing to respond at all to the Division's written inquiries on November 14, December 20, and December 29, 2023, and the Division's telephone calls and messages on February 1 and February 15, 2024, Respondents violated ORS 731.296. In addition, by failing to respond timely to the Division's written inquiry dated June 24, 2024, Respondents violated ORS 731.296.

31. Under ORS 744.083(1), all premium funds received by a resident insurance producer shall be accounted for and maintained in a trust account separate from all other business and personal funds. Under ORS 744.083(2), except as otherwise provided, a resident insurance producer may not commingle or otherwise combine premiums with any other moneys.

32. Under OAR 836-074-0020(1), an insurance producer shall deposit in one or more premium funds trust accounts all premium funds received by the insurance producer under the insurance producer's license.

33. By failing to maintain a trust account separate from all other business and personal funds until on or about July 8, 2024, and by commingling premium funds with Vantage Point's business or operating accounts, Respondents violated ORS 744.083(1) and (2) and OAR 836-074-0020(1).

34. Under ORS 744.059(2)(b), a business entity acting as an insurance producer is required to designate a licensed insurance producer responsible for the business entity's compliance with the insurance laws and rules of this state.

35. By operating as an insurance producer while Sweet's license was suspended but while he remained the DRLP of record, Vantage Point violated ORS 744.059(2)(b) between April 16 and May 30, 2024.

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36. Under OAR 836-074-0025, an insurance producer shall deposit and pay premium funds received as provided in this rule. When a payment is owed to an insured, the insurance producer shall pay the premium funds not later than the 30th day after the receipt of the funds.

37. Under OAR 836-074-0025(1), a return premium and the insurance producer's share of any premium funds required to be refunded, including unearned commissions, shall be deposited and paid to the insured or other person entitled to the funds.

38. By failing to refund RF's premium payment within thirty (30) days, Respondents violated OAR 836-074-0025.

39. 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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> (b) Violating any insurance laws, or violating any rule, subpoena or order of the director or of the insurance commissioner of another state or Mexico or Canada.
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> (d) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business.

40. By violating provisions of the Insurance Code, including ORS 731.296, ORS 744.083(1) and (2), OAR 836-074-0020(1), ORS 744.059(2)(b), and OAR 836-074-0025, Respondents are subject to license probation, suspension, or revocation under ORS 744.074(1)(b).

41. By retaining RF's premium payment, commingling those funds with Vantage Point's operating account, and using those funds to pay business expenses, Respondents improperly withheld, misappropriated, or converted RF's money it received in the course of doing business. Therefore, Respondents are subject to license probation, suspension, or

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revocation under ORS 744.074(1)(d).

42. 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.

43. Because the Director has reason to believe that Respondents have violated the Insurance Code, including ORS 731.296, ORS 744.083(1) and (2), OAR 836-074-0020(1), ORS 744.059(2)(b), ORS 744.074(1)(d), and OAR 836-074-0025, the Director may issue an order directed to Respondents to discontinue or desist from those violations under ORS 731.252(1).

44. 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.

45. Because Respondents have violated the Insurance Code, they are subject to a civil penalty under ORS 731.988(1).

ORDERS

The Director issues the following ORDERS:

Final Order to Cease and Desist

46. Pursuant to the authority of ORS 731.252(1), the Director hereby orders Respondents to CEASE AND DESIST from violating ORS 731.296, ORS 744.083(1) and (2), OAR 836-074-0020(1), ORS 744.059(2)(b), ORS 744.074(1)(d), and OAR 836-074-0025.

Final Order to Assessing Civil Penalties

47. Pursuant to the authority of ORS 731.988(1), the Director hereby ORDERS the

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assessment of CIVIL PENALTIES against Respondents, jointly and severally, in the amount of ten thousand dollars ($10,000) for violating ORS 731.296, ORS 744.083(1) and (2), OAR 836-074-0020(1), ORS 744.059(2)(b), and OAR 836-074-0025.

48. The Director SUSPENDS collection of the five thousand dollars ($5,000) of the foregoing civil penalties, provided that Respondents comply with this Consent Order and the Insurance Code.

49. Payment of the non-suspended five thousand dollar ($5,000) civil penalty shall be made in installments as follows:

A. At or prior to the time Respondents return this signed Consent Order, Respondents shall pay one thousand dollars ($1,000).

B. Respondents shall submit additional payments of one thousand dollars ($1,000) on or before each of March 15, April 15, May 15, and June 15, 2025.

50. The Director agrees to waive the foregoing suspended five thousand dollars ($5,000) of civil penalties at the end of a period of three (3) years from the date this Consent Order is fully executed provided that Respondents comply with all terms of this Consent Order and the Insurance Code. If Respondents fail to comply with the Insurance Code or otherwise fail to comply with the terms and conditions of this Consent Order within the foregoing period of three (3) years, then the five thousand dollars ($5,000) suspended civil penalty shall become immediately due and payable.

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Final Order to Suspending License

51. Pursuant to the authority of ORS 744.074(1), the Director hereby SUSPENDS Sweet's insurance producer license for a period of five (5) months from the date that this Consent Order becomes final. During that period of suspension:

A. Sweet shall not "transact insurance" as that term is defined in ORS 731.146;

B. Sweet shall submit to the Division in accordance with the instructions below a monthly report – consistent with the sample he previously provided to the Division

– reflecting all insurance transactions that took place at Vantage Point for the prior month and demonstrating that he did not transact insurance during that period; and

C. Sweet shall ensure that a properly licensed agent is appointed as Vantage Point's designated responsible licensed producer during his period of suspension, which shall be done at or prior to the time he submits this signed Consent Order.

Final Order Placing Licensee on Probation

52. Pursuant to the authority of ORS 744.074(1), the Director hereby places Vantage Point's business entity insurance producer license on PROBATION for a period of twelve (12) months from the date that this Consent Order becomes final. During that period of probation:

A. Vantage Point shall submit to the Division in accordance with the instructions below a monthly statement indicating whether it received any request for a refund from any of its clients during the prior month; and

B. If Vantage Point received any such requests, for each request it shall include the name of the customer, the date of the request, the amount of money in question, the date and amounts any refund payments were made, and if the refund was not for the full amount a written explanation as to why a full refund was not provided.

53. The foregoing reports that Sweet and Vantage Point must provide to the Division shall be submitted no later than 5:00 pm by the 10th day of the month covering the period of the prior calendar month (e.g., the March 2025 report shall be submitted no later than April 10, 2025). Respondents shall submit those reports electronically by e-mail to Adam Blechman at adam.blechman@dcbs.oregon.gov.

NONDISCHARGEABILITY

54. 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

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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.

FINAL ORDER

55. 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 27th day of February, 2025.

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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Salem, OR 97301-3881
Telephone: (503) 378-4387

CONSENT TO ENTRY OF ORDER

I, Richard Sweet, 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/ Richard Sweet

Name: Richard Sweet

State of Oregon

County of Lane

Signed or attested before me on this 19th day of February, 2025 by Richard Sweet.

Danielle Ellis

Notary Public

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
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CONSENT TO ENTRY OF ORDER

I, Richard Sweet, state that I hold the title of Owner and Managing Member and I am an authorized representative of Vantage Point Risk Partners LLC (“Vantage Point”) with the authority to sign this Consent Order. I 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. Vantage Point voluntarily consents 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. Vantage Point understand that this is a “Final Order” under ORS 183.310(6)(b). Vantage Point understands that the Director reserves the right to take further action to enforce this Order or to take appropriate action upon discovery that it has committed other violations of the Insurance Code. Vantage Point will fully comply with the terms and conditions stated herein.

Vantage Point understands that this Order is a public document.

Signature: /s/ Richard Sweet

Name: Richard Sweet

Title: Owner and Managing Member

State of Oregon

County of Lane

Signed or attested before me on this 19th day of February, 2025 by Richard Sweet.

Danielle Ellis

Notary Public

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