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

In the Matter of: WASHINGTON, KENNETH Respondent.	Case No. INS-22-0021 FINAL ORDER TO CEASE AND DESIST, REVOKING LICENSE, DENYING LICENSE APPLICATION, AND ASSESSING CIVIL PENALTIES, ENTERED BY DEFAULT

On June 2, 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 Kenneth Washington ("Washington"), informing Washington that the Director proposed to deny the Oregon nonresident insurance producer license renewal application, revoke the nonresident insurance producer license, and asses civil penalties for certain violations of the Insurance Code.

The Notice offered Washington an opportunity for a hearing if requested within 60 days of the Notice. The Notice further informed Washington that if a hearing were not conducted because Washington did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Washington 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 Washington a request for a hearing and did not conduct a hearing.

The Director finds that the record of this proceeding proves a prima facie case.

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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. Washington is an Illinois resident with his last recorded address at 7016 S. Rhodes, Chicago, IL 60637-4618.

2. On September 7, 2021, Washington submitted an application for a nonresident insurance producer license. The application included an admission that Washington previously had a Minor in Possession charge that was stricken following a deferral. It also included an admission that he had two convictions for Unlawful Use of a Weapon that were closed following his probation.[1]

3. On September 29, 2021, before the application was approved, a second application was submitted that excluded the judgment, leading to an automatic approval of the application.[2] When this second application with inconsistent responses was discovered, Washington's license was returned to pending status.

4. On October 25, 2021, Oregon Division of Financial Regulation ("Division") e-mailed Washington to request an explanation for the conflicting submissions. No response was received from Washington.

5. On December 3, 2021, the Division called the phone number Washington identified as his primary residential and business number and left a voicemail message. Washington did not respond.

6. On May 6, 2022, the Division again attempted to contact Washington via e-mail, but Washington did not respond.

[1] The application would have been approved even with Washington's admissions.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

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.

8. 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. Washington violated ORS 744.074(1)(a) when he submitted the second application with false information regarding his criminal background, thereby authorizing the Director to revoke Washington's license and deny his license application.

9. 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. The reply shall be verified by an officer of such person, if the Director so requires. Washington violated ORS 731.296 when he failed to respond to the Director's inquiries, as set forth in Paragraphs four through six above.

10. 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. Washington's violation of ORS 731.296 authorizes the Director to revoke Washington's license and deny his license application, pursuant to ORS 744.074(1)(b).

11. 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.

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ORDERS

The Director issues the following ORDERS:

12. As authorized by ORS 731.252(1), the Director hereby ORDERS Washington, and all entities owned or controlled by Washington, his successors and assignees, to CEASE AND DESIST from violating any provision of the Insurance Code, or any administrative rule adopted by the Director under those statutes.

13. In accordance with ORS 744.074(1)(a) and (b), the Director hereby DENIES Washington's nonresident individual insurance producer license renewal application.

14. In accordance with ORS 744.074(1)(a) and (b), the Director hereby REVOKES Washington's nonresident individual insurance producer license.

15. In accordance with ORS 731.988(1), the Director ORDERS that Washington be subject to a CIVIL PENALTY of $500 for violating ORS 744.074(1)(a) and (b), and ORS 731.296.

FINAL ORDER

16. 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 __11th__ day of ___August_____, 2022.

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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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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