STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Genie M. Wolfer**	)	**STIPULATION AND**
and **Cornerstone Insurance NW, Inc.**	)	**FINAL ORDER**
	)	Case No. INS 01-05-015

STIPULATION

The Director of the Department of Consumer and Business Services (Director) proposed to revoke the Oregon insurance agent licenses of Genie M. Wolfer (Wolfer) and Cornerstone Insurance NW, Inc. (Cornerstone). Wolfer and Cornerstone stipulate that they have received the Notice of Proposed Act, Notice of Hearing, Important Information Concerning Your Contested Case Hearing with the Insurance Division, and Notice of Contested Case Rights and Procedures.

Wolfer and Cornerstone have been advised of their right to have a hearing, to be represented by an attorney at the hearing, and the right to judicial review of any decision adverse to them. Wolfer and Cornerstone are represented by Mary Kim Wood, Attorney at Law. After consulting with Ms. Wood, Wolfer and Cornerstone freely and voluntarily waive their right to a hearing, to be represented during such hearing and to judicial review from the agency's order issued herein.

Wolfer and Cornerstone admit to and agree with the following:

Findings of Fact

Wolfer and Cornerstone violated ORS 744.013(2)(a) by acting in an incompetent or untrustworthy manner. Since April 1998, Wolfer and her husband, Michael F. Dennis (Dennis), have owned Cornerstone. In addition, Wolfer has been the president, manager and, from April 1998 until April 2000, the sole licensed agent of Cornerstone. Wolfer

was responsible for selling insurance, managing and training staff, balancing the daily receipts, preparing the daily deposits to the insurance premium trust account (PTA) and the operating account, transporting funds to the bank for deposit, signing checks and preparing applications and checks and mailing the same. Wolfer delegated to Dennis the duties to produce checks drawn on the PTA, balance the PTA, balance the operating account and maintain the computer systems. Wolfer and Dennis tried to balance Cornerstone's PTA at irregular intervals but never actually balanced the account.

As president and manager, Wolfer was responsible for establishing the procedures necessary for Cornerstone to comply with all applicable insurance laws; to train all employees; and to assure that all employees, including Wolfer, complied with the laws and procedures. However, Wolfer and/or the persons she employed and supervised: (1) failed to retain applications received; (2) failed to retain, in the PTA, premiums received from applicants or insureds for payment to the proper parties; (3) failed to keep accurate and complete records of when applications and premiums were received; (4) failed to keep accurate and complete records from whom premiums were received; (5) failed to keep accurate and complete records of whether premiums paid in cash were deposited into the PTA; (6) failed to keep accurate and complete records of when applications and premiums were received and transmitted; (7) altered records of when premiums were received and how much premium was received; (8) created fictitious applications and records of receiving premiums; (9) sent false applications and records of receiving premiums; (10) withheld premiums from insurers; (11) misused premiums to pay business expenses and payments due for insureds other than those making the premium payments; and (12) negligently allowed unlicensed employee(s) to transact insurance.

Conclusions of Law

Wolfer and Cornerstone violated ORS 744.013(2)(a). The Director, Department of Consumer and Business Services, may revoke the licenses of and assess civil penalties against Wolfer and Cornerstone for such violations. ORS 744.013(1)(a).

Stipulation and Waiver

The below undersigned, Genie M. Wolfer and Cornerstone Insurance NW, Inc., having read and reviewed the above findings of facts and conclusions of law submitted by the Director, acting by and through the Oregon Insurance Division, and further having read the order which follows, do understand that the findings of fact, conclusions of law, and this stipulation and waiver embody the full and complete agreement and stipulation between the undersigned and the Oregon Insurance Division. Wolfer and Cornerstone further understand that they have the right to request a hearing on this matter, to be represented by legal counsel at such a hearing and to seek judicial review from any order adverse to them. Wolfer and Cornerstone freely and voluntarily waive their rights to a hearing on this matter, to representation by counsel at such a hearing and to seek judicial review from any order adverse to them.

In consideration of this stipulation, Genie M. Wolfer and Cornerstone Insurance NW, Inc. also agree not to apply to the Director for any license as an insurance agent, consultant or adjuster that is to be issued to Wolfer, Cornerstone or to any business organization owned or operated by Wolfer. Wolfer also agrees not to own any equity interest in, or to be an officer, director or employee of, any business organization licensed as an insurance agent, consultant or adjuster in Oregon.

Genie M. Wolfer and Cornerstone Insurance NW, Inc. hereby agree and stipulate to the findings of fact, conclusions of law, the stipulated agreement and agree to the entry of order which follows.

_____
Genie M. Wolfer
Date:_____

_____
Genie M. Wolfer, President
Cornerstone Insurance NW, Inc.
Date:_____

Having read and reviewed the above findings of fact and conclusions of law, the Director hereby makes the following order:

FINAL ORDER

IT IS HEREBY ORDERED that the insurance agent's license of Genie M. Wolfer is revoked.

IT IS FURTHER ORDERED that Genie M. Wolfer shall pay a civil penalty of $4,000. Payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. Payment shall be delivered or mailed to the Insurance Division at 350 Winter Street NE, Room 440, Salem, Oregon 97301-3883. Payment shall be received by the Insurance Division within 120 days of the date of the Director's signing the Final Order.

IT IS FURTHER ORDERED that that the insurance agent's license of Cornerstone Insurance NW, Inc. is revoked.

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MARY C. NEIDIG, Director
Department of Consumer and
Business Services

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