STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Candelario Mendez, Jr.**	)	**STIPULATION** and
	)	**FINAL ORDER**
	)	Case No. INS 06-03-007

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Candelario Mendez, Jr. (Mendez).

Mendez desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.415(5).

Mendez waives all rights relative to an administrative hearing and judicial review thereof.

Mendez stipulates to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

Facts and Conclusions

Licensing Information

Mendez has been licensed in Oregon as a resident individual insurance producer since 7/24/02. Mendez's last recorded residence address is located in Keizer, Oregon.

Used a Fraudulent, Coercive, or Dishonest Practice in Business

Mendez is subject to enforcement action pursuant to ORS 744.074(1)(h) because of the following circumstances. ORS 744.074(1)(h) prohibits a person from using a fraudulent, coercive, or dishonest practice, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Oregon or elsewhere. At all relevant times, Mendez was appointed as an agent by Country Mutual Insurance Company and Country Preferred Insurance Company

(collectively referred to herein as Country) and authorized to solicit, sell, and service insurance policies issued by Country.

1. On or about 12/21/04, Mendez faxed a letter to another insurance agency representing that Ester Ibanez (Ibanez) was insured by Country under an automobile insurance policy, number AA44440039, from 6/2/04 to 11/29/04. This representation was not true and Mendez knew that it was not true. Ibanez had never been insured by Country.

2. On or about 3/31/05, Mendez issued to Silverio Bravo (Bravo) of Woodburn, Oregon an insurance card representing that Bravo was insured by Country under an automobile insurance policy, number A36A4483078, from 3/1/05 to 9/1/05. This representation was not true and Mendez knew that it was not true. Bravo had never been insured by Country.

3. At all relevant times, Mendez was required by Country to include with each automobile insurance application a credit bureau report and credit score for the applicant. From 3/8/05 to 4/25/05, Country received from Mendez 14 applications for automobile insurance that Mendez had solicited and received from 14 persons residing in Oregon. However, Mendez included with each application a credit bureau report and credit score for a person other than the applicant. The credit score of the other person was better than the applicant's credit score. The representation that the report and score were for the applicant was not true and Mendez knew that it was not true. As a result, Country issued to each applicant a policy that Country would not have issued had it known the applicant's credit score. The date that Country received the application from Mendez, the name of the applicant, the policy number, and the effective date of the policy in each instance is as follows:

Date Received	Applicant	Policy Number	Effective Date
3/8/05	Jesus Herrera	A36A4483501	3/5/05
3/8/05	Isidoro Flores	A36A4483525	3/11/05
3/22/05	Juan Hernandez	A36A4485874	3/22/05
3/22/05	Adan Hernandez	A36A4485878	3/22/05
3/23/05	Armando Esquivel	A36A4485569	3/19/05
3/24/05	David Hernandez	A36A4486287	3/23/05

Date Received	Applicant	Policy Number	Effective Date
3/25/05	Francisco Esquivel	A36A4486509	3/21/05
3/29/05	Felipe Martinez	A36A4487190	3/29/05
3/30/05	Jose Graciano	A36A4487140	3/30/05
4/7/05	Marco Cervantes	A36A4488445	4/7/05
4/11/05	Jesus Garibay-Hernandez	P36A4489099	4/12/05
4/18/05	Javier Soto	A36A4490146	4/18/05
4/18/05	Jose Sierra	A36A4490687	4/19/05
4/25/05	Bernardina Gonzales	A36A4491619	4/27/05

Action

Pursuant to ORS 744.074(1), Mendez's Oregon resident insurance producer license is revoked on the date of the final order.

Dated April 8, 2006

/s/ Candelario Mendez, Jr.
Candelario Mendez, Jr.

FINAL ORDER

The director incorporates herein the above stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated April 17, 2006

/s/ Joel Ario
Joel Ario
Administrator
Insurance Division
Department of Consumer and Business Services

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