STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **AQA Insurance, Inc.**	)	**STIPULATION and**
	)	**FINAL ORDER**
	)	Case No. INS 14-03-001

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director), by and through the Insurance Division, commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against AQA Insurance, Inc. (AQA).

AQA desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

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

AQA agrees with the facts, conclusions, action stated below, and to the issuance of a final order incorporating this stipulation.

AQA understands that the stipulation and final order is a public record and shall be posted permanently on the Insurance Division's website.

Facts and Conclusions

Licensing Information

AQA Insurance has been licensed in Oregon as a nonresident business entity insurance producer from 2/6/07 to 2/28/11, and as a resident business entity insurance producer since 8/20/12. AQA's nonresident license number was 0100166172, resident license number is 0100176818, NAIC national producer number is 9000783, and FEIN is 56-2623950. AQA's Oregon resident business entity insurance producer license is scheduled to expire on 8/31/14. AQA's last recorded business address is 8120 NE Fremont Street, Portland, OR 97213-7128;

and telephone number is 503-252-4419. Nhat Alexander Nguyen (Nguyen) is the president of AQA.

Violated Order of Director

AQA is subject to enforcement action pursuant to ORS 744.074(1)(b) because of the following circumstances. ORS 744.074(1)(b) permits the director to take any authorized enforcement action against a person who has applied for a license or is licensed in Oregon as an insurance producer if the person violates any insurance law, or violates any rule, subpoena, or order of the director or of the insurance regulator of another state or Mexico or Canada.

On 12/3/13, the director issued an order, in case number INS 13-02-001, assessing AQA a civil penalty of $30,000 pursuant to ORS 731.988 for violating (1) ORS 744.053 by transacting insurance in Oregon on behalf of Allstate Insurance Company and various subsidiary and affiliated insurers (Allstate) while AQA was unlicensed from 3/1/11 to 8/19/12, (2) ORS 744.076(2) by receiving approximately $271,000 in commissions from Allstate, (3) ORS 744.068(5) by failing to notify us by 3/23/11 that it had authorized a particular person to transact insurance for AQA on 2/21/11, and (4) ORS 731.296 by failing to provide to the director by 9/19/12 four commission statements.. The civil penalty was due by 2/12/14 pursuant to ORS 183.745, unless AQA timely petitioned for judicial review pursuant to ORS 183.480 *et seq.*

AQA did not petition for judicial review of the order.

On 2/11/14, Nhat Alexander Nguyen (Nguyen), the president of AQA, mailed to the director a personal check, dated 2/14/14, payable to the "Department of Consumer and Business Services," and in the amount of $30,000.00.

On 2/12/14, the director received the post-dated check.

On 2/19/14, the director sent an e-mail to Nguyen asking why he post-dated the check?

On 2/19/14, Nguyen sent a reply e-mail saying in relevant part:

> I took a loan from Credit Card Company in the amount of $30,000 to pay for this case. They promised me the money will be available between the 10 to

14 of February. I do not want to post on the check date 2/12 and have insufficient fund since Credit Card Company said between 10-14.

Now the money available in the account, so you (state) can take the money out at anytime.

On 2/26/14, the director sent another e-mail to Nguyen asking when he charged his credit card, when he deposited the loan check into his bank account, when he found out it would take 7 to 10 days for the check to clear, and why didn't he begin sooner the process of getting the money to pay the civil?

On 3/6/14, Nguyen sent a reply e-mail saying in relevant part:

1) We requested from Bank of America Credit charged on 2/4/2014
2) Process take 7-10 days from the day of charge/transfer to the bank
3) Talk to customers service from BofA credit card and they disclosed all these information by phone "this process take between 7-10 day, check with your bank to make sure your money available before using the fund"
4) My lawyer missed the deadline for filing in state Court of Appeals for this case. The appeal in this case should have been filed within 60 days of the date of ruling was issued meaning he must have the formal appeal filed by 2/3/2014. He notify me by phone on the 4 of February that he just discovered the error. Therefore I have to call my credit card company to request the fund on the the 4th of February.

Anyway, the state of Oregon already took my money, sorry for the delay on the fund we paid for this case No. INS 13-02-001 due to the special circumstance. If any late fee for this case please let me know, so I can find the way to pay it... This time is the most difficulty time for me and my family, we are still looking for the buyer to sell my Allstate Agency to pay for the debt we owe by credit card company.

Action

Pursuant to ORS 731.988(1), AQA is assessed a civil penalty of $2,000.00. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, OR 97301-3880; or mailed to the Insurance

Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be received by the Insurance Division before the date of the final order.

Dated 4/21/2014

[Signature of Representative]

[Printed Name of Representative]

[Printed Title of Representative]

AQA Insurance Inc.

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 APR 24 2014

Laura N. Cali, FCAS, MAAA
Insurance Commissioner and Chief Actuary

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