STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Douglas B. Adams** and **Adams International Marketing, Inc.**	))	**FINAL ORDER** Case No. INS 14-10-004

History of the Proceeding

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 Douglas B. Adams (Adams) and Adams International Marketing, Inc. (AIM).

On 11/7/14, the director issued a notice of proposed action informing the parties that the director proposed to revoke their expired Oregon resident insurance producer licenses pursuant to ORS 731.428 and ORS 744.074. The notice also informed the parties that they were entitled to a hearing pursuant to ORS 183.415, and if they wanted a hearing then they had to send to the director a written request for a hearing so that the director received it by 11/28/14. The notice further informed the parties that if a hearing was not conducted because they did not timely request a hearing or otherwise defaulted then the designated portion of the Insurance Division's file and all materials submitted by the party 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 the parties 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.

The director now makes the following final decision in this proceeding.

Findings of Fact and Conclusions of Law

Licensing Information

Adams was licensed in Oregon as a resident producer from 11/18/86 to 11/30/95, and from 1/31/96 to 9/30/14. On 9/30/14, Adam's license expired. Adams' NAIC national producer number is 37646. Adams' last recorded residence and business 6992 Rainbow Drive SE, Salem, OR 97306-9535; telephone number is 503-362-9015; and e-mail

address is seniorlifestyle@aol.com. Adams may also reside at 19428 W Corto Lane, Buckeye, AZ 85326-4242.

AIM was licensed in Oregon as a resident business entity insurance producer from 7/16/01 to 7/31/13. On 7/31/13, AIM's license expired. AIM's NAIC national producer number is 16283412 and federal employer identification number is 93-1306452. AIM's last recorded residence and business 6992 Rainbow Drive SE, Salem, OR 97306-9535; telephone number is 503-362-9015; and e-mail address is seniorlifestyle@aol.com. Adams is the president, and sole authorized insurance producer, of AIM.

Failed to Report Criminal Prosecution

Adams is subject to enforcement action pursuant to ORS 744.074(1)(b) for violating ORS 744.089(2). 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. ORS 744.089(2) requires a person who is licensed in Oregon as an insurance producer to notify the director of any criminal prosecution of the person; and provide a copy of the initial complaint, order resulting from the hearing and any other relevant legal documents, within 30 days after the pretrial hearing. On 11/14/12, in the Superior Court for the State of Arizona for Maricopa County, in the criminal case *State of Arizona v. Douglas Bruce Adams*, case number CR2012-009454-001, Adams was charged with committing one count of the crime of engaging in a fraudulent scheme and artifice, a felony, pursuant to Arizona Revised Statutes (ARS) §13-2310 *et al.*; three counts of the crime of theft, a felony, pursuant to ARS §13-1802; and five counts of the crime of forgery, a felony, pursuant to ARS §13-2002, as described in an Indictment dated 11/14/12. Adams committed the alleged crimes between 1/1/10 and 5/30/12. On or about 5/17/13, after being extradited back to Arizona, Adams appeared before the court to respond to the charges. Adams was required to notify the director of the criminal prosecution, and provide a copy of the specified documents, by 6/17/13. Adams has not notified the director of the action or provided a copy of the specified documents.

Convicted of Crime and

Convicted of Felony Involving Dishonesty or Breach of Trust

Adams is subject to enforcement action pursuant to ORS 744.074(1)(f) and ORS 731.428(4). ORS 744.074(1)(f) 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 was convicted of a misdemeanor involving dishonesty or breach of trust, a felony, or an offense punishable by death or imprisonment under the laws of the United States. ORS 731.428(4) requires the director to revoke, suspend, or refuse to renew, the Oregon insurance producer license issued to a person who was convicted of, among other things, a felony involving dishonesty or a breach of trust, unless the person applies for and the director grants written consent for the person to participate engage in the business of insurance pursuant to OAR 836-071-0321 *et seq.* OAR 836-071-0321(1) defines a felony involving dishonesty as "includ[ing] but not limited to any offense constituting or involving theft, burglary, perjury, bribery, forgery, counterfeiting, a false or misleading oral or written statement, deception, fraud, a scheme or artifice to deceive or defraud, a material misrepresentation or the failure to disclose material facts." On 11/14/12, in the Superior Court for the State of Arizona for Maricopa County, in the criminal case *State of Arizona v. Douglas Bruce Adams*, case number CR2012-009454-001, Adams was charged with committing one count of the crime of engaging in a fraudulent scheme and artifice, a felony, pursuant to Arizona Revised Statutes (ARS) §13-2310 *et al.*; three counts of the crime of theft, a felony, pursuant to ARS §13-1802; and five counts of the crime of forgery, a felony, pursuant to ARS §13-2002, as described in an Indictment dated 11/14/12. Adams committed the alleged crimes between 1/1/10 and 5/30/12. On or about 5/17/13, after being extradited back to Arizona, Adams appeared before the court to respond to the charges. On 6/23/14, Adams entered into a plea agreement in which he plead guilty to an amended count of theft, and an amended count of fraud, both of which were felonies. As a term of the plea agreement, Adams agreed to "not perform any services for, educate, sell any financial products, investments, and/or annuity or any other type of insurance policies to, nor give any financial advice to anyone over the age of 59 years" and "to not hold himself out to anyone as a financial,

estate, probate, or tax planner, advisor, educator, author, counselor or specialist to Seniors nor to advertise or allow anyone else to advertise him as such." On 10/3/14, Adams was convicted of the two crimes. Adams committed the two crimes between 1/1/11 and 5/30/12. The remaining charges were dismissed. Adams was placed on supervised probation for three years beginning 10/3/14, ordered to be incarcerated in the Maricopa County jail for 12 months beginning 4/1/15 if he did not comply with the terms of probation, ordered to pay restitution to all victims in the amount of $395,000.00, and ordered to pay other court related fees. Adams has not applied for written consent, and even if Adams had applied for consent, the director would not have granted consent.

Used a Fraudulent, Coercive, or Dishonest Practice in Business

Adams is subject to enforcement action pursuant to ORS 744.074(1)(h). ORS 744.074(1)(h) 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 used a fraudulent, coercive, or dishonest practice, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in Oregon or elsewhere. Adams engaged in a dishonest practice in the conduct of business by engaging in the misconduct described in counts 3 and 9 of the Indictment dated 11/14/12 that Adams pled guilty to committing in the Plea Agreement dated 6/23/14.

Enforcement Action Against Business Entity for Acts of Individual

AIM is subject to enforcement action pursuant to ORS 744.074(3). ORS 744.074(3) states "[t]he director may suspend, revoke or refuse to issue or renew the insurance producer license of a business entity if the director determines that an individual licensee's violation was known or should have been known by one or more of the partners, officers or managers acting on behalf of the partnership or corporation but the violation was not reported to the director and corrective action was not taken." Adams violated the Oregon Insurance Code as described above. At all relevant times, Adams was the president, and the sole authorized insurance producer, of AIM. Adams, as an officer of AIM, knew or should have known of such violations because he committed the

violations but did not report such violations to the director and did not take any corrective action.

Order

Pursuant to ORS 731.428 and ORS 744.074, Adams' expired Oregon resident individual insurance producer license is revoked on the date of this order.

Pursuant to ORS 744.074, AIM's expired Oregon resident business entity insurance producer license is revoked on the date of this order.

Notice of Right to Judicial Review

A party has the right to judicial review of this order pursuant to ORS 183.480 and ORS 183.482. A party may request judicial review by sending a petition for judicial review to the Oregon Court of Appeals. The court must receive the petition within 60 days from the date this order was served on the party. If the order was personally delivered to a party, then the date of service is the date the party received the order. If the order was mailed to a party, then the date of service is the date the order was mailed to the party, not the date the party received the order. If a party files a petition, the party is requested to also send a copy of the petition to the Insurance Division by delivering it to the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, Oregon 97301-3880; or mailing it to PO Box 14480, Salem, OR 97309-0405; or faxing it to 503-378-4351; or e-mailing it to mitchel.d.curzon@state.or.us.

Dated DEC 05 2014

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

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STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Douglas B. Adams** and **Adams International Marketing, Inc.**	) **CERTIFICATE of**) **SERVICE of**) **FINAL ORDER**) Case No. INS 14-10-004

I certify that I sent the final order to the following person(s) on the date and by the means indicated below:

Douglas B. Adams
6992 Rainbow Drive SE
Salem, OR 97306-9535

Douglas B. Adams
President
Adams International Marketing, Inc.
6992 Rainbow Drive SE
Salem, OR 97306-9535

- ✓ US First Class Mail
- ✓ E-mail to seniorlifestyle@aol.com

Douglas B. Adams
19428 W Corto Lane
Buckeye, AZ 85326-4242

- ✓ US First Class Mail

Dated DEC 05 2014

Mitchel D. Curzon
Chief Enforcement Officer

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