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2
3 STATE OF OREGON
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. INS-17-0003

7 EQUIS FINANCIAL, INC. and NANCY S.
8 DAVIES,

ORDER TO CEASE AND DESIST,
FINAL ORDER IMPOSING CIVIL
PENALTY AND CONSENT TO
ENTRY OF ORDER

9 Respondents.

10 The Director of the Department of Consumer and Business Services for the State
11 of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”)
12 chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750
13 (“Insurance Code”), has conducted an investigation into the insurance related activities of
14 Equis Financial, Inc. and Nancy Davies (collectively “Respondents”).

15 WHEREAS Respondents neither admit nor deny the allegations in this Order, but
16 wish to resolve and settle this matter with the Director.

17 Now, therefore, as evidenced by the signature(s) subscribed on this Order,
18 Respondents hereby CONSENT to entry of this Order.

19 FINDINGS OF FACT

20 The Director FINDS that:

21 1. Equis Financial, Inc. (“Equis”) is a North Carolina corporation with its
22 principal place of business at 83 South Tunnel Road, Suite A-9, Asheville, North
23 Carolina 28805. Equis has been licensed as an Oregon nonresident insurance producer
24 since August 24, 2016. Equis’ NAIC national producer number is 17678777.

25 2. Nancy S. Davies (“Davies”) has been licensed as an Oregon nonresident
26 insurance producer since August 8, 2016. Davies’ NAIC national producer number is

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 12673462.

2 3. Davies is the Designated Responsible Licensed Producer (“DRLP”) for Equis.

3 4. Before August 24, 2016, Respondents mailed or caused to be mailed to 14,525
4 Oregon consumers a mortgage protection plan notification (“Notification”). The
5 Notification contained the following statements:

6 A. “Your recent mortgage loan may qualify you to participate in a low-cost
7 Mortgage Protection Plan that is now available, with no physical exam necessary.”

8 B. “This is a plan designed to pay-off your...mortgage in the case of an
9 unexpected tragedy.”

10 5. The Notification advertised that possible benefits include:

11 A. Mortgage payoff in the event of the consumer’s death.

12 B. Cash to make mortgage payments if the consumer cannot work.

13 C. Payment of a portion of the death benefit if the consumer is diagnosed with a
14 life-threatening covered illness.

15 CONCLUSIONS OF LAW

16 The Director CONCLUDES that:

17 6. Under ORS 744.059(2)(b), a business entity is required to designate a licensed
18 insurance producer responsible for the business entity’s compliance with the Insurance
19 Code.

20 7. As the DRLP for Equis, Davies is responsible for Equis’ compliance with the
21 Insurance Code.

22 8. Under ORS 731.252(1), whenever the Director has reason to believe that any
23 person has been engaged or is engaging or is about to engage in any violation of the
24 Insurance Code, the Director may issue an order to discontinue or desist from such
25 violation or threatened violation.

26 9. Under ORS 744.053, a person may not sell, solicit or negotiate insurance in



1 this state for any class or classes of insurance unless the person is licensed as an
2 insurance producer for that class or those classes in accordance with ORS 744.052 to
3 744.089.

4 10. Respondents sold, solicited or negotiated insurance on 14,525 occasions by
5 mailing the Notification to 14,525 Oregon consumers prior to Equis obtaining its
6 nonresident insurance producer license.

7 11. Under ORS 731.988(1), the Director may assess CIVIL PENALTIES in an
8 amount not to exceed \$10,000 per violation against a person who violates any provision
9 of the Insurance Code or any lawful rule of the Director.

10 ORDERS

11 12. As authorized by ORS 731.252(1), the Director ORDERS Respondents to
12 CEASE AND DESIST from violating any provision of the Insurance Code or the
13 administrative rules promulgated thereunder.

14 13. Based upon the foregoing and as authorized by ORS 731.988(1), the Director
15 ORDERS that Respondents pay a CIVIL PENALTY of \$1 per occurrence for 14,525
16 violations of ORS 744.053 for a total CIVIL PENALTY of \$14,525.

17 14. The \$14,525 CIVIL PENALTY assessed above is due and payable at the time
18 this Order is returned to the Division.

19 SO ORDERED this 28th day of July, 2017.

20
21 PATRICK M. ALLEN, Director
22 Department of Consumer and Business Services

23 /s/ David Tatman
24 David C. Tatman, Chief of Enforcement
25 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Nancy Davies, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Nancy Davies

Signature

State of North Carolina

County of Buncombe

Signed or attested before me on this 13th day of July, 2017

by Nancy Davies.

/s/ Angela S. Baker

Notary Public

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ENTITY CONSENT TO ENTRY OF ORDER

I, Kevin M. Davies, state that I am an officer of Equis Financial, Inc. and I am authorized to act on its behalf. I have read the foregoing Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Equis Financial, Inc. voluntarily and without any force or duress consents to the entry of this Order expressly waiving any right to a hearing in this matter. Equis Financial, Inc. understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Insurance Code. Equis Financial, Inc. will fully comply with the terms and conditions stated herein.

Equis Financial, Inc. further assures the Director that neither Equis Financial, Inc. nor its officers, directors, employees, or agents will transact insurance in Oregon unless such activities are in full compliance with the Oregon Insurance Code. Equis Financial, Inc. understands that this Consent Order is a public document.

Dated this 13th of July 2017.

/s/ Kevin Davies
Signature

Chief Operations Officer
Office Held

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ENTITY ACKNOWLEDGMENT

There appeared before me this 13th day of July,
2017, Kevin M. Davies, who was first duly sworn on oath, and
stated that he was and is an officer of Equis Financial, Inc. and that he/she is authorized
and empowered to sign this Consent to Entry of Order on behalf of Equis Financial, Inc.
and to bind Equis Financial, Inc. to the terms hereof.

/s/ Angela S. Baker
Notary Public for the State of: NC
My commission expires: 9/5/2021

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