STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: JOSE GARCIA SALCEDO, Respondent.	Case No. INS-16-0358 AMENDED ORDER TO CEASE AND DESIST, FINAL ORDER TO ISSUE LICENSE SUBJECT TO TERMS OF PROBATION, FINAL ORDER IMPOSING CIVIL PENALTY AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750 ("Insurance Code"), has conducted an investigation into JOSE GARCIA SALCEDO ("Respondent").

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has had an Oregon resident insurance producer license ("License") since September 7, 2010. Respondent's national producer number is 15786091.

2. On March 30, 2015, the Division of Financial Regulation ("Division"), formerly known as the Insurance Division, received notice from Farmers Insurance Group ("Farmers") that Respondent was terminated after an audit revealed that

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Respondent willfully misrepresented Farmers.

3. Information provided by Farmers revealed that Respondent inputted 71 fictitious electronic funds transfer ("EFT") premium payments from October 2013 to October 2014 in order to keep 54 billing accounts (covering 80 policies) in force.

4. The financial impact to Farmers was $33,532.13, which included $19,811.61 in commission income received by Respondent, $12,923.03 in unpaid earned premium, and $797.50 in ineligible EFT discounts received by insureds. Farmers recovered $11,684.83 in commission charge backs.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

5. Under ORS 744.074(1)(h), the Director may place a licensee on probation or suspend, revoke or refuse to issue or renew an insurance producer license for demonstrating incompetence in the conduct of business in this state or elsewhere. Respondent was found to be incompetent in handling EFT premium payments.

6. Under ORS 731.988(1), the Director may impose a civil penalty of up to $1,000 per violation upon any individual who violates a provision of the Insurance Code.

ORDERS

Now therefore, the Director issues the following Orders:

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

8. The Director, pursuant to ORS 744.074(1)(h), ORDERS that Respondent's License include the following probationary conditions for the term of two years:

a. Respondent will obey all federal, state and local laws.

b. Respondent will comply with all applicable insurance statues, rules and regulations.

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c. Respondent will notify the Director within fourteen days if there is a change in appointment or employer.

d. Respondent will complete four hours (two classes) of continuing education in ethics. One class must be completed and proof of completion submitted to the Chief of Licensing at 350 Winter Street NE, Suite 410, Salem, OR 97301 or DFR.BGDocs@oregon.gov to be completed within the first year of probation, second class to be completed in year two of probation. This continuing education requirement is in addition to any other continuing education requirements for maintenance of Respondent's License.

e. Respondent agrees to an internal audit by his current employer at the end of each year for the two years of ALL of his accounts with EFT filings. Results of the audit will be shared with the Division through the Chief of Licensing. If Respondent changes employers while on probation, the new employer must agree to complete the audits prior to beginning employment. If Respondent's current or future employer refuse to complete an audit, then the Division reserves the right to suspend Respondent's License for the remaining period of probation.

f. The term of probation will end without further action by the Division unless the probation period is extended by the Director.

g. If Respondent fails to comply with the conditions of probation, Respondent agrees to notify the Division of the failure to meet the conditions and surrender the License immediately. If Respondent fails to surrender the License within seven days of providing notification to the Division or from the date that the Division notifies Respondent that the Director believes that there has been a violation of this Order, whichever is earlier, Respondent agrees that his License shall be revoked immediately.

9. Based upon the foregoing and in accordance with ORS 731.988(1), the Director ORDERS a CIVIL PENALTY of $150 for each of the 71 fictitious EFT

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payments entered for a total of $10,650.

10. The Director agrees to SUSPEND the collection of $8,150 of the $10,650 CIVIL PENALTY assessed herein upon the condition that Respondent commits no new violations of the Oregon Insurance Law or any administrative rules adopted thereunder, and complies with the conditions of probation set out in this order.

11. If Respondent complies with all of the terms and conditions set out in this Order and commits no violations of the Oregon Insurance Code during the two year period from the date of issuance of this Order, the Director hereby agrees to WAIVE the $8,150 suspended amount.

12. The Director reserves the right to immediately assess and collect the $8,150 suspended amount upon a determination that Respondent has violated any term of this Order.

13. The remaining portion of the CIVIL PENALTY assessed against Respondent in the amount of $2,500 is due and payable to the Department of Consumer and Business Services at the time this Order is returned to the Division.

14. The Director reserves the right to immediately take enforcement action, pursuant to the procedures set forth in ORS 183.745, to impose the suspended amount if Respondent violates any term of this Order.

SO ORDERED this 8th day of June, 2017.

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

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

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CONSENT TO ENTRY OF ORDER

I, JOSE GARCIA SALCEDO, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; 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/ Jose Garcia

Signature

State of Oregon

County of Marion

Signed or attested before me on this 7th day of June, 2017 by JOSE GARCIA SALCEDO.

/s/ Floriberta Botello Arreola

Notary Public

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