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

In the Matter of:	Case No. INS-16-0291
KATELYN M. MALLORY, Applicant.	FINAL ORDER TO CEASE AND DESIST, FINAL ORDER DENYING LICENSE APPLICATION, ENTERED BY DEFAULT

On August 8, 2016, the Director of the Department of Consumer and Business Services ("Director"), by and through the Division of Financial Regulation, formerly the Insurance Division ("Division"), properly served notice ("Notice") on Katelyn M. Mallory ("Applicant") that the Director intended to issue an order denying Applicant's resident insurance producer license application.

The Notice offered Applicant an opportunity for a hearing if requested within 60 days of service of the Notice. The Notice further informed Applicant that if a hearing was not conducted because Applicant did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Applicant 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 Applicant 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.

NOW THEREFORE, after considering the relevant portions of the Division's file relating to this matter, the Director finds and orders as follows.

FINDINGS OF FACT

The Director FINDS that:

1. Applicant applied for a resident insurance producer license on or around

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

December 3, 2015 ("December Application").

2. As part of the December Application, Applicant submitted to the Division results from an Oregon Property and Casualty Insurance Producer Exam ("Exam") administered by PSI Services LLC.

3. The Exam date was listed as Sunday, November 15, 2015. PSI Services LLC did not test anyone for Oregon on Sunday, November 15, 2015. The Exam results revealed a combined total of 139 questions answered correctly. However, adding together the number of correctly answered questions by topic totaled only 138. PSI Services LLC believes the Exam results provided by Applicant were not legitimate.

4. Applicant claimed that she took the Exam on November 18, 2015. PSI Services LLC has no record of Applicant taking the Exam on November 18, 2015.

5. On March 23, 2016, the Division properly served notice on Applicant that the Director intended to deny Applicant's December Application. Applicant had 60 days to timely request a hearing. The Division did not receive a request for hearing from Applicant. On May 25, 2016, the Director issued a final order by default denying Applicant's December Application.

6. Applicant applied for the second time for a resident insurance producer license on or around June 22, 2016 ("June Application").

7. On August 8, 2016, the Division properly served notice on Applicant that the Director intended to deny Applicant's June Application for her resident insurance producer license. Applicant had 60 days to timely request a hearing. The Division did not receive a request for hearing from Applicant.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

8. Under ORS 731.252(1), whenever the Director has reason to believe that any person has been engaged or is engaging or is about to engage in any violation of the

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Insurance Code, the Director may issue an order to discontinue or desist from such violation or threatened violation.

9. Under ORS 731.260, no person shall file with the Director any application known to be false or misleading. Applicant's December Application was false and misleading because it contained Exam results that were not legitimate.

10. Under ORS 744.074(1)(b), the Director may refuse to issue an insurance producer license and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, if an applicant violates any insurance law. Applicant violated ORS 731.260 by submitting a false and misleading December Application.

11. Under ORS 744.074(1)(c), the Director may refuse to issue an insurance producer license and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, if an applicant attempts to obtain a license through misrepresentation or fraud. Applicant attempted to obtain a license through misrepresentation or fraud by submitting a December Application with Exam results that were not legitimate.

12. Under ORS 744.074(1)(h), the Director may refuse to issue an insurance producer license and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, if an applicant uses fraudulent, coercive or dishonest practices, or demonstrates incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere. Applicant used fraudulent practices and demonstrated untrustworthiness by submitting a December Application with Exam results that were not legitimate.

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ORDERS

Now, therefore, the Director issues the following Orders:

13. As authorized by ORS 731.252(1), the Director ORDERS Applicant to CEASE AND DESIST from violating any provision of the Insurance Code or the

administrative rules promulgated thereunder.

14. The Director, pursuant to ORS 744.074(1)(b), ORS 744.074(1)(c) and ORS 744.074(1)(h), hereby DENIES Applicant's June Application for a resident insurance producer license.

SO ORDERED this 5th day of January, 2017.

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

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

NOTICE OF RIGHT TO JUDICIAL APPEAL

You are entitled to judicial review of this order in accordance with ORS 183.482. You may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this order is served.

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