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

In the Matter of:	Case No. INS-17-0018
KAREN R. FRACKOWIAK, Applicant.	ORDER TO CEASE AND DESIST, FINAL ORDER TO ISSUE LICENSE SUBJECT TO TERMS OF PROBATION 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, 743B, 744, 746, 748 and 750 ("Insurance Code") and specifically ORS 744.074, has conducted an investigation into the resident insurance producer license application of Karen R. Frackowiak ("Applicant").

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

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

FINDINGS OF FACT

The Director FINDS that:

1. Applicant applied for a resident insurance producer license ("License") on January 24, 2017. Applicant's NAIC national producer number is 18291255.

2. Plan-It Financial, Inc. ("Plan-It") had been licensed as an Oregon resident insurance producer since May 13, 2005. Plan-It's NAIC national producer number is 8583661. The resident insurance producer license of Plan-It was revoked on February

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

10, 2017.[1]

3. As part of the application process, Applicant completed and submitted to the Division of Financial Regulation ("Division") an application form admitting that she failed to deposit insurance premium funds into a client trust account while working as a bookkeeper for Plan-It.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

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

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 and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, for using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

6. Applicant demonstrated financial irresponsibility in the conduct of business by failing to deposit insurance premium funds into a client trust account while working as a bookkeeper for Plan-It.

ORDERS

Now therefore, the Director issues the following Orders:

7. 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.

[1] DCBS Order Number INS-16-0186

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

8. The Director, pursuant to ORS 744.074(1)(h), ORDERS that a resident insurance producer license be issued to Applicant, subject to the following terms of probation:

A. Applicant will obey all federal, state and local laws.

B. Applicant will comply with all applicable insurance statues, rules and regulations.

C. Applicant will notify the Division within fourteen days of all appointments with insurers or employment within the industry.

D. Applicant will notify the Division within fourteen days if there is a change in appointment or employer.

E. Applicant will notify the Division within fourteen days of any appointments that were terminated and the reason for the termination.

F. Applicant will report to the Division in writing not later than the tenth day of each calendar month, providing a description of her insurance-related activities during the preceding month. Such report will include the following for each insurance product sold:

i. name of the insurer

ii. name, address and telephone number of the consumer

iii. age of the consumer

iv. type of policy sold

v. dollar amount (face value) of the policy sold

vi. commission earned for the sale

G. Applicant will complete four hours (two classes) of continuing education in ethics. One class must be completed and proof of completion submitted to the Division within 180 days of issuance of the License. The second class must be completed and proof of completion submitted to the Division within 365 days of issuance of the

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

License. This continuing education requirement is in addition to any other continuing education requirements for maintenance of the License.

H. All reports or other communication to the Division pursuant to these probationary terms will be delivered electronically to DFR.Enforcement@oregon.gov.

I. The term of this probation will begin upon the effective date of this Order and continue for three years. The term of probation will end without further action by the Division unless the probation period is extended by the Director.

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

SO ORDERED this 29th day of March, 2017.

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

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

[The remainder of this page intentionally left blank.]

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

CONSENT TO ENTRY OF ORDER

I, Karen R. Frackowiak, 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/ Karen R. Frackowiak

Signature

State of Oregon

County of Clackamas

Signed or attested before me on this 20th day of March, 2017 by Karen R. Frackowiak.

/s/ Dustin Mayfield

Notary Public

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