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

In the Matter of: PAUL L. ADAMS, Respondent.	Case No. INS-18-0106 FINAL ORDER TO CEASE AND DESIST, FINAL ORDER DENYING LICENSE APPLICATION AND REVOKING LICENSE, ENTERED BY DEFAULT

On December 27, 2018, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), by and through the Division of Financial Regulation ("Division"), properly served notice ("Notice Order") on Paul L. Adams ("Respondent") that the Director intended to issue an order denying the renewal license application and revoking Respondent's nonresident insurance producer license ("License").

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

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

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is a Washington resident with his last recorded business address at 15408 Main Street, Unit 107, Mill Creek, WA 98012. Respondent has been an Oregon licensed nonresident individual insurance producer with a variable life insurance line of authority since August 23, 2012. Respondent's national producer number is 2968877.

2. Respondent applied for renewal of his License on September 6, 2018.

3. On September 13, 2018, the Division sent an email ("September Email") to Respondent stating the following:

> The FINRA website does not show you as approved for variable lines in Oregon. You must have a CRD relationship with an Oregon broker dealer and be approved for Oregon to obtain that line of authority here. Please provide proof of registration not later than ***October 15, 2018*** If proof of registration is not received by ***October 15, 2018*** the license will be renewed without variable lines and you will have to re-apply to add variable lines.

4. Respondent did not respond to the Division's September Email on or before October 15, 2018.

5. On October 3, 2018, the Division sent a second email ("October Email") to Respondent stating the following:

> The FINRA website does not show you as approved for variable lines in Oregon. You must have a CRD relationship with an Oregon broker dealer and be approved for Oregon to obtain that line of authority here. Please provide proof of registration not later than ***10/17/2018***. If proof of registration is not received by ***10/17/2018*** the license will be renewed without variable lines and you will have to re-apply to add variable lines.
> Please notify me by email ASAP if you have become CRD registered for OR or if you wish to have that LOA removed from your license. If I do not hear from you by that date, we will remove the variable lines LOA from your license and renew the remaining lines. You would then need to apply again to add that line back on to your license.

6. Respondent did not respond to the Division's October Email on or before October 17, 2018.

7. Respondent's License expired on November 30, 2018.

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8. On December 27, 2018, the Division properly served Respondent with a Notice Order. Respondent had 60 days to timely request a hearing. The Division did not receive a request for hearing from Respondent.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

9. Pursuant to 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.

10. Pursuant to ORS 744.011(1), the expiration of a license or the voluntary surrender of a license by a licensee under this chapter shall not deprive the Director of jurisdiction to proceed with any investigation of, or any action or disciplinary proceedings against, the licensee or to revise or render void an order suspending or revoking the license.

11. Pursuant to ORS 731.296(1), the Director may address any proper inquiries to any insurer, licensee or its officers in relation to its activities or condition or any other matter connected with its transactions. Any such person so addressed shall promptly and truthfully reply to such inquiries using the form of communication requested by the Director.

12. Respondent violated ORS 731.296(1) on two separate occasions by failing to respond to the Division's September Email and failing to respond to the Division's October Email.

13. Pursuant to ORS 744.074(1)(b), 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 violating any insurance laws, or violating any rule, subpoena or order of the

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Director or of the insurance commissioner of another state or Mexico or Canada.

ORDERS

Now, therefore, the Director issues the following Orders:

14. 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.

15. In accordance with ORS 744.074(1)(b), the Director hereby DENIES Respondent's License renewal application for violating the insurance law ORS 731.296(1).

16. In accordance with ORS 744.074(1)(b), the Director hereby REVOKES Respondent's License for violating the insurance law ORS 731.296(1).

SO ORDERED this 4th day of March , 2019.

CAMERON C. SMITH, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, 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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