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

In the Matter of:	Case No. INS-18-0064
JAVIER DE LA O BAILON, an Individual, Respondent.	ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY, ORDER TO SUSPEND LICENSE, 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 and the administrative rules promulgated thereunder ("Insurance Code"), has conducted an investigation into the activities of Javier De La O Bailon ("Respondent") and determined that Respondent engaged in violations of the Insurance Code.

Respondent, without admitting or denying the Director's findings of fact or conclusions of law, wishes to resolve and settle this matter with the Director.[1]

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 held an Oregon resident insurance producer license ("License") since March 22, 2004. Respondent's national producer number is 17869434.

2. In 2016, Respondent held personal insurance policy number 987782987 ("Policy One") through Allstate Insurance ("Allstate").

3. Allstate's Oregon policyholders may file an Extraordinary Circumstances

[1] Respondent was responsive to the Division's inquiries regarding this investigation.

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Appeal ("ECA") when they have experienced "an extraordinary event that has caused a direct and meaningful impact on the insured's credit information." Qualifying applicants are eligible for a reduction in their policy's premium rates.

4. The ECA process requires that the extraordinary event occurred within the past three years.

5. On March 23, 2000, a judgment was entered pursuant to Respondent's divorce proceedings in Washington County case number C991393DR ("Divorce Judgment").[2]

6. On or around October 11, 2016, Respondent filed an ECA for Policy One, citing involuntary unemployment and his 2000 divorce as the extraordinary event.[3]

7. In 2017, Respondent held personal insurance policy number 807177911 ("Policy Two") through Allstate.

8. On or around December 8, 2017, Respondent filed an ECA for Policy Two, citing his 2000 divorce as the extraordinary event.[4]

9. To support his ECA for Policy Two, Respondent altered the signature page of the Divorce Judgment so that the year read 2016 instead of 2000. Respondent submitted the altered signature page with the ECA.[5]

CONCLUSIONS OF LAW

The Director CONCLUDES that:

10. Respondent used fraudulent and dishonest practices, and the Director may suspend his License under ORS 744.074(1)(h), because he:

A. Attempted to obtain reductions in his personal premium rates for Policies One and Two through Allstate's ECA process, despite having a qualifying event that occurred at least thirteen years beyond the three-year eligibility period;

[2] The judgment was signed on March 21, 2000.
[3] Respondent did not submit supporting documentation with his ECA, as Allstate did not require it at the time.
[4] At this time, Allstate required that ECAs be supported by documentation.
[5] Respondent also submitted the original and unaltered signature page, leading to an Allstate investigation.

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and

B. Altered the Divorce Judgment and submitted it in support of his ECA for Policy Two.

11. Because the Director has reason to believe that Respondent has been engaged, is engaging, or is about to engage in violation of the Insurance Code, the Director may issue an order to Respondent to cease and desist under ORS 731.252(1).

12. The Director may impose a civil penalty of up to $10,000 *per violation* upon a person who violates a provision of the Insurance Code, under ORS 731.988(1).

ORDERS

Now therefore, the Director issues the following Orders:

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

14. As authorized by ORS 744.074, the Director hereby SUSPENDS Respondent's Oregon resident insurance producer license for ONE YEAR for using fraudulent and dishonest practices, under ORS 744.074(1)(h).

15. The foregoing suspension shall begin on February 1, 2019 and conclude on February 1, 2020.

16. The Director hereby reduces Respondent's suspension to SIX MONTHS, provided Respondent:

A. Attends four hours of ethics-based coursework and provides the Division with documentation of completion. This coursework shall be in addition to any ethics-based coursework required to maintain Respondent's License. Any ethics-based coursework that would fulfill Respondent's License obligations is eligible to satisfy this condition. Respondent shall submit documentation of completion of at least two hours of ethics-based coursework by August 1, 2019. Respondent shall submit documentation of the remaining two hours by February 1,

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2020; and

B. Engages in no further violation of the Insurance Code.

17. Should Respondent comply with the foregoing terms, his License suspension shall conclude on August 1, 2019.

18. During the suspension period, Respondent may retain ownership of his insurance-related business so long as he does not engage in activities for which a License is required.

19. During the suspension period, Respondent shall perform the actions required to maintain his License, including satisfying any applicable fee, filing, or continuing education requirements.

20. Upon the completion of Respondent's License suspension, the Division shall issue Respondent a Conditional License for a period of ONE YEAR. The Conditional License will authorize Respondent to perform all the activities he can perform under his License. While he holds the Conditional License, Respondent will provide the Division with monthly reports which identify:

A. The insurance he sold that month;

B. The people to whom he sold the insurance; and

C. The commissions he received pursuant to such sales.

21. As authorized by ORS 731.988(1), the Director ORDERS that Respondent pay a CIVIL PENALTY totaling $5,000 for violating ORS 744.074(1)(h).

22. The Director hereby suspends payment of $5,000 of the CIVIL PENALTY for a period of three years, provided Respondent:

A. Complies with the foregoing terms of this Order; and

B. Does not violate the Insurance Code within the three-year time period.

23. The suspended CIVIL PENALTY ($5,000) will be waived three years from the effective date of this Order, provided Respondent has complied with the foregoing Order

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terms. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that Respondent has violated any term of this Order.

24. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon law.

SO ORDERED this 31st day of January, 2019.

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

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

Approved as to form:

/s/ Adina Matasaru
Adina Matasaru
Attorney for Respondent

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CONSENT TO ENTRY OF ORDER

I, Javier De La O Bailon, state that I have read the foregoing Order and that I know and fully understand the contents hereof. I have been advised of my right to a hearing and of my right to be represented by counsel in this matter. I neither admit nor deny the Director's findings of fact or conclusions of law but 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. 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. I will fully comply with the terms and conditions stated herein.

Signature: /s/ Javier De La O Bailon

State of Oregon

County of Yamhill

Signed or attested before me on this 30th day of January, 2019 by Javier De La O Bailon.

/s/ Cory Bryant Taylor
Notary Public

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