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

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| In the Matter of: | Case No. INS-19-0035 |
| JOHN W. KAKLIS,<br><br>Respondent. | FINAL ORDER TO CEASE AND DESIST, FINAL ORDER DENYING LICENSE RENEWAL APPLICATION, AND FINAL ORDER REVOKING LICENSE, ENTERED BY DEFAULT |

On April 8, 2019, 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"), properly served Notice on John W. Kaklis ("Kaklis") that the Director intended to deny Kaklis's nonresident insurance producer license renewal application and revoke Kaklis's nonresident insurance producer license.

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

The Director makes the following Findings of Fact, Conclusions of Law, Orders, and Notice of Right to Judicial Appeal.

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## FINDINGS OF FACT

The Director FINDS that:

1. Kaklis had been licensed as a nonresident insurance producer in the state of Oregon since January 13, 2015, until the license expired on January 31, 2019. Kaklis's national insurance producer number is 3564774.

2. On January 3, 2019, Kaklis applied for a renewal of his nonresident insurance producer license.

3. As part of the application process, Kaklis completed and submitted to the Division of Financial Regulation ("Division") a renewal application form stating that he had been convicted of a misdemeanor, which had not been previously reported to the Division.

4. During the review of Kaklis's application to renew, it was discovered that he had been the subject of multiple administrative actions:

A. On November 17, 2016, the state of Louisiana, case no. 13522854, revoked Kaklis's license failing to report a suspension by the Florida Bar Association on September 26, 2014 and an administrative order by Florida Department of Financial Services on April 28, 2016.

B. On October 1, 2018, the state of Washington, Order No. 18-0394, revoked Kaklis's license for failing to report an administrative action, failing to respond to inquiries from the Insurance Commissioner, and by having his nonresident license revoked in another state.

5. Kaklis failed to inform the Division of the above administrative actions within 30 days of the final dispositions.

6. On January 7, 2019, the Division sent a letter by electronic mail to Kaklis requesting an explanation as to why he answered No to question 2, documents related to

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the administrative action, and an explanation of the circumstances surrounding the incident that led to the administrative action by January 22, 2019.

7. On January 23, 2019, the Division sent a letter by electronic mail to Kaklis requesting an explanation as to why he answered No to question 2, documents related to the administrative action, and an explanation of the circumstances surrounding the incident that led to the administrative action by February 6, 2019.

8. Kaklis did not respond to the Division's requests.

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 744.074(1)(a), the Director may revoke or refuse to issue or renew an insurance producer license for providing incorrect, misleading, incomplete or materially untrue information in the license application. Kaklis provided incomplete information when he failed to respond to additional questions by the Director regarding his terms of probation.

11. Pursuant to ORS 744.089(2), an insurance producer shall report to the Director any criminal prosecution of the insurance producer taken in any jurisdiction no later than the 30th day after the initial pretrial hearing date. Kaklis failed to notify the Director of the criminal prosecution within 30 days of the initial pretrial hearing date.

12. Pursuant to ORS 744.074(1)(b), the Director may revoke or refuse to issue or renew an insurance producer license for violating any insurance laws, or violating any rule, subpoena or order of the director. Kaklis violated ORS 744.089(2).

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ORDERS

Now therefore, the Director issues the following Orders:

13. As authorized by ORS 731.252(1), the Director ORDERS Kaklis 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)(a) and (b), hereby REVOKES Kaklis's nonresident insurance producer license.

15. The Director, pursuant to ORS 744.074(1)(a) and (b), hereby DENIES Kaklis's renewal application for a nonresident insurance producer license.

SO ORDERED this 10th day of June, 2019 in Salem, Oregon.

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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