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

In the Matter of:	Case No. INS-19-0079
DAMIKO TIDMORE, SR., Respondent.	FINAL ORDER TO CEASE AND DESIST, FINAL ORDER OF REVOCATION OF LICENSE AND ASSESSMENT OF CIVIL PENALTIES, ENTERED BY DEFAULT

On September 9, 2019, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with the 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 Damiko Tidmore, Sr. ("Tidmore") that the Director proposed to revoke Tidmore's resident insurance producer license and assess civil penalties against him.

The Notice offered Tidmore an opportunity for a hearing, if requested within 20 days. The Notice further informed Tidmore that if a hearing was not conducted because Tidmore did not timely request a hearing or otherwise defaulted, then the designated portion of the Director's file and all materials submitted by Tidmore in this case would automatically become part of the contested case record for the purpose of providing a *prima facie* case.

The Director did not receive from Tidmore 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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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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FINDINGS OF FACT

The Director FINDS that:

1. Tidmore has been licensed in Oregon as a resident insurance producer since February 9, 2015. Tidmore's national producer number is 17499300.

2. On July 25, 2018, TAPCO Underwriters, Inc. ("TAPCO") informed the Division that there had been suspicious transactions involving insurance producer Tidmore.

3. An Oregon business (the "Insured") obtained a commercial insurance policy through Tidmore. The Insured provided Tidmore with three checks totaling $8,018.95 made payable to TAPCO to pay the policy premium.

4. Tidmore endorsed the checks over to his agency and deposited the funds into his account on or around March 22, 2018.

5. On April 17, 2018, Tidmore made an ACH payment of $1,247.25 to TAPCO. The payment reflected the down payment required to finance the policy less Tidmore's commission ($2,194.00 minus $946.75).

6. On July 20, 2018, the Insured was required to pay an additional $5,824.95 to keep the policy in force and prevent cancellation.

7. In response to an email inquiry by the Division during its investigation, Tidmore stated that he used the premium funds to cover expenses while waiting on a business loan. The loan was ultimately denied.

8. Tidmore failed to adequately respond to the Director's request in the following instances:

A. On January 8, 2019, the Director, through the Division, sent an email requesting information and documentation related to the investigation with a due date of February 5, 2019.

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B. On February 13, 2019, after not receiving a response to the January 8, 2019 inquiry, the Director, through the Division, sent a second inquiry with a due date of March 14, 2019. On March 15, 2019, Tidmore responded to the Division but failed to provide the requested bank statements.

C. On the same day, the Director, through the Division, advised Tidmore that the bank statements were past due and requested additional information regarding Tidmore's business name and business loan. The Director requested a response by April 5, 2019. Tidmore failed to respond.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

9. 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, directed to such person, to discontinue or desist from such violation or threatened violation. Because the Director has reason to believe that Tidmore has been engaged in violation of the Insurance Code, the Director may issue an order to Tidmore to cease and desist pursuant to ORS 731.252(1).

10. Under ORS 744.074(1)(d), the Director may place a licensee on probation or suspend, revoke or refuse to issue or renew an insurance producer license for improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business. Tidmore collected a premium from the Insured and improperly withheld, misappropriated or converted those moneys by failing to remit the full payment to the insurer, in violation of ORS 744.074(1)(d).

11. Under ORS 731.296, 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

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reply to such inquiries using the form of communication requested by the Director. Tidmore failed to respond to inquiries by the Director.

12. Under ORS 746.120, no person shall willfully collect any sum as premium or charge for insurance which is not then provided or is not in due course to be provided subject to acceptance of the risk by the insurer, under an insurance policy issued by an insurer in conformity with the Insurance Code. Tidmore willfully collected a premium from the Insured, which was not then provided to the insurer, in violation of ORS 746.120.

13. Under 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 for violating any insurance laws, or violating any rule, subpoena or order of the Director. ORS 731.296 and 746.120 is an insurance law violated by Tidmore, therefore, the Director may revoke Tidmore's insurance producer license under ORS 744.074(1)(b).

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

15. Under ORS 731.988(2), in addition to the penalty specified in subsection (1), the Director may require a person that violates a provision of the Insurance Code to pay a civil penalty of up to the amount by which the person profited in any transaction that violated the provision.

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ORDERS

Now therefore, the Director issues the following Orders:

16. Pursuant to ORS 731.252(1), the Director ORDERS Tidmore to CEASE AND DESIST from violating any provision of the Insurance Code or the administrative rules promulgated thereunder.

17. The Director, pursuant to ORS 744.074(1)(b) and (d) hereby REVOKES Tidmore's resident insurance producer license.

18. As authorized by ORS 731.988(1), the Director hereby ORDERS that Tidmore be subject to a CIVIL PENALTY of $4,000 as follows:

(1) $1,000 for violating ORS 744.074(1)(d);

(2) $2,000 for two violations of ORS 731.296; and

(3) $1,000 for violating OAR 746.120.

19. As authorized by ORS 731.988(2), the Director hereby ORDERS that Tidmore be subject to a CIVIL PENALTY of $6,771.70, which is the sum of the amount that the Insured had to pay to prevent cancelation, $5,824.95, and the commission, $946.75, that Tidmore paid himself for selling the policy.

SO ORDERED this 3rd day of October, 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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