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

In the Matter of: LISA VARNEY, Respondent.	Case No. INS-19-0005 FINAL ORDER TO CEASE AND DESIST, FINAL ORDER DENYING LICENSE RENEWAL APPLICATION, AND FINAL ORDER REVOKING LICENSE, ENTERED BY DEFAULT

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 Lisa Varney ("Varney") that the Director intended to deny Varney's nonresident insurance producer license renewal application and revoke Varney's nonresident insurance producer license.

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

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. Varney had been licensed as a nonresident insurance producer in the state of Oregon since September 12, 2015, until the license expired on July 31, 2018. Varney's national insurance producer number is 16469432.

2. On October 25, 2018, Varney applied for a renewal of her nonresident insurance producer license.

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

4. As part of the application process, Varney uploaded the criminal prosecution documents to the NAIC/NIPR warehouse on October 24, 2018.

5. A review of the documents revealed that Varney had been charged with a theft of merchandise, case no. 75GS1-2018-CR-422578, on January 8, 2018. Varney was sentenced and placed on probation on May 8, 2018.

6. Varney failed to notify the Director of the criminal prosecution within 30 days of the initial pretrial hearing date.

7. On November 28, 2018, the Division sent a letter by electronic mail to Varney requesting information regarding Varney's probation terms of her sentence in the criminal case.

8. On December 6, 2018, the Division sent another letter by electronic mail to Varney requesting that she provide the requested information by December 20, 2018. The electronic email was returned as not a good email address.

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9. On December 10, 2018, the Division called Varney's employer and was informed that Varney had been terminated October 29, 2018. Varney did not list a personal email address on her application.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

10. 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.

11. 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. Varney provided incomplete information when she failed to respond to additional questions by the Director regarding her terms of probation.

12. 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. Varney failed to notify the Director of the criminal prosecution within 30 days of the initial pretrial hearing date.

13. 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. Varney violated ORS 744.089(2).

ORDERS

Now therefore, the Director issues the following Orders:

14. As authorized by ORS 731.252(1), the Director ORDERS Varney to CEASE AND DESIST from violating any provision of the Insurance Code or the administrative rules promulgated thereunder.

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15. The Director, pursuant to ORS 744.074(1)(a) and (b), hereby REVOKES Varney's nonresident insurance producer license.

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

SO ORDERED this 27th day of March, 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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