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

In the Matter of JAY WARREN KHATTER, Respondent.	Case No. INS-20-0034 FINAL ORDER TO CEASE AND DESIST AND ORDER ASSESSING CIVIL PENALTIES, ENTERED BY DEFAULT

On April 30, 2020, the Division of Financial Regulation ("Division") acting on behalf of the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), served Notice of Administrative Order INS-20-0034 ("Notice") on Jay Warren Khatter ("Respondent"). The Notice provided notice that the Director issued an order to cease and desist and proposed an order assessing civil penalties against Respondent for violations of Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750 and the rules promulgated thereunder ("Insurance Code").

The Notice offered Respondent an opportunity for a hearing if requested within 20 days of the Notice. The Notice further informed Respondent that if a hearing were 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.

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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.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is a Texas resident with his last recorded business address at 15455 Dallas Parkway, Suite 1250, Addison, TX 75001. Respondent applied for an Oregon nonresident insurance producer license ("license") on June 30, 2019 using the National Insurance Producer Registry (NIPR) website.

2. Respondent tendered payment of the fee for his license using credit card and was issued a license upon entry of his payment information.

3. Following the issuance of Respondent's license, the credit card holder disputed the charge for Respondent's license fee. As a result, Respondent received his license, but the Division never received payment of the license fee.

4. Between July 29, 2019, and December 18, 2019, NIPR attempted to collect the license fee from Respondent and received no response.

5. On December 31, 2019, NIPR notified the Division about the unpaid license fee. On March 7, 2020, an employee of the Division succeeded in making contact with Respondent. Respondent was given until March 17, 2020, to pay the license fee and was warned that the Division would revoke his license if the fee was not paid at that time.

6. On April 1, 2020, the Division confirmed that Respondent had not paid his license fee. The Division emailed Respondent and gave Respondent until April 8, 2020, to voluntarily surrender his license and warned that the Division would revoke Respondent's license and impose civil penalties if Respondent did not voluntarily surrender his license.

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7. On April 2, 2020, Respondent paid his Oregon nonresident producer license fee. This payment was made approximately 10 months after the license fee was originally due.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

8. 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 to discontinue or desist from such violation or threatened violation.

9. ORS 744.059(1)(d) requires insurance producer licensees to pay "all applicable fees" for their license.

10. Respondent violated ORS 744.059(1)(d) by failing to pay the license fee when it was originally due.

11. ORS 731.988(1) authorizes the Director to impose civil penalties against an individual insurance producer an the amount up to $1,000 per violation for any violation of the Insurance Code, including violations of ORS 744.059(1)(d).

ORDERS

The Director ISSUES the following ORDERS:

12. Pursuant to ORS 731.252(1) the Director hereby ORDERS Respondent, and all entities owned or controlled by Respondent, his successors and assignees, to CEASE AND DESIST from violating any provision of the Insurance Code, or any administrative rule adopted by the Director under those statutes.

13. The Director, pursuant to ORS 731.988(1), assesses CIVIL PENALTIES against Respondent in the amount of $300 for violating ORS 744.059(1)(d) by failing to timely pay the licensing fee for his Oregon nonresident insurance producer license.

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14. 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.

NOTICE OF RIGHT TO JUDICIAL APPEAL

Judicial review of final orders in contested cases is governed by ORS 183.482. Respondent 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.IT IS SO ORDERED.

Dated this 9th day of June, 2020.

Andrew R. Stolfi, Acting Director
Department of Consumer and Business Services

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

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