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

In the Matter of:	Case No. INS-20-0029
STEPHEN TODD PENTRACK, Respondent.	FINAL ORDER TO CEASE AND DESIST, FINAL ORDER SUSPENDING LICENSE, AND WITHDRAWAL OF LICENSE APPLICATION, ENTERED BY CONSENT

The Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), through the Division of Financial Regulation (the "Division"), conducted an investigation of Stephen Todd Pentrack ("Pentrack") and determined that he violated certain provisions of the Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748, and 750 and the rules promulgated thereunder (collectively, the "Insurance Code").

Pentrack cooperated with the Division's investigation and wishes to settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Pentrack hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated below.

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. Pentrack is a resident insurance producer licensed in Oregon since August 2006. His National Producer Number is 8438418.

2. On or about October 1, 2008, Pentrack was appointed as an exclusive agent with Allstate Insurance Company ("Allstate").

3. At all times material to this Order, Pentrack was licensed for life, health, property, casualty, and variable insurance lines of authority, but he did not sell life insurance for Allstate. Instead, he referred clients to an Allstate Exclusive Financial Specialist ("Allstate EFS"), an insurance producer who sells Allstate life insurance policies.

4. In or around October 2016, ML rented commercial space for his business in a building Pentrack owned. The building also housed Pentrack's insurance office. They formed a friendly relationship and occasionally engaged in recreational activities together.

Life Insurance Application

5. Pentrack repeatedly urged ML to purchase life insurance from his Allstate EFS, telling ML that he (Pentrack) would get a bonus. Per Allstate, if ML was issued a life insurance policy, Pentrack would receive a commision and could receive a bonus if he met overall goals. Pentrack stated, however, that despite what he told ML, he would only get a production credit because he does not produce enough policies to qualify for a bonus.

6. On or about May 2, 2018, ML met with the Allstate EFS and applied for life insurance. The application required ML to submit to a medical examination. ML informed Pentrack that he may not pass the medical examination because he was a nicotine user with a health condition. Pentrack replied that his brother would provide ML with a urine sample.

7. On May 22, 2018, ML submitted to a medical examination at Pentrack's office. ML provided a urine sample at 11:40 am. Later that day, at 1:32 pm, Pentrack sent ML a text message: "Your sample is in the diet snapple bottle… on the shelf in my bathroom!"[1] ML stated that he used the urine sample Pentrack provided him. Per the urinalysis report, the urine sample's temperature was "out of range" and "did not register 50 90." ML's application was denied because he had a variety of health conditions.

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[1] The text messages cited in this Order were quoted with original spelling, punctuation, and grammar.

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Jeep Cherokee Coverage

8. In or around November 2017, ML purchased insurance from Pentrack for his house, his 2015 Jeep Cherokee ("Jeep Cherokee"), and his 2008 Saturn Aura.

9. On October 1, 2018, Pentrack suspended full coverage on ML's Jeep Cherokee. The suspension of coverage was effective on October 2, 2018.

10. On Saturday, February 9, 2019, ML texted Pentrack that he hit someone's truck while parking. Pentrack replied that he would "take the jeep out of storage effective yesterday[.]" After exchanging more text messages with ML, Pentrack wrote: "if he calls you, tell him to call allstate on mon or tues and file a claim… your covered! or just have him call me on monday!"

11. On Monday, February 11, 2019, Pentrack reinstated full coverage on the Jeep Cherokee but backdated the effective date of coverage to February 1, 2019. The owner of the truck did not contact ML, and a claim was never filed.

Chevrolet Impala Windshield Deductible

12. On August 6, 2018, ML purchased insurance from Pentrack for his 2008 Chevrolet Impala ("Impala"). The coverage was effective on August 7, 2018.

13. On December 28, 2018, ML asked Pentrack by text message whether there was a deductible for a cracked windshield. Pentrack replied by text message: "you have $100 deductible for glass… i can move ut to zero today if you can wait for a week or so to file a claim[.]" ML stated that he would think about it.

14. The text messages regarding the Impala's windshield indicate that Pentrack knew or should have known that the windshield was already cracked.

15. On January 18, 2019, Pentrack reduced the deductible for comprehensive coverage on the Impala from $100.00 to $50.00. The reduced deductible was effective on January 19, 2019.

16. On January 23, 2019, ML had the Impala's windshield replaced for $196.40.

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17. On January 25, 2019, a claim for $146.40 was filed with Allstate for the Impala's windshield replacement. The purported loss date was January 21, 2019. Allstate paid the claim.

18. In July 2019, ML filed a complaint with the Division against Pentrack for the conduct described above.

19. On September 26, 2019, Allstate terminated Pentrack's exclusive appointment for cause.

20. In June 2020, Pentrack submitted a business entity insurance producer license application to the Division for his company, Pacific Value, LLC.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

21. By providing ML with a urine sample for ML's medical examination as described in Paragraphs 5 to 7 of this Order, Pentrack committed an unfair trade practice or fraud related to insurance, in violation of ORS 744.074(1)(g).

22. By providing ML with a urine sample for ML's medical examination as described in Paragraphs 5 to 7 of this Order, Pentrack used fraudulent or dishonest practices or demonstrated untrustworthiness in the conduct of business in this state, in violation of ORS 744.074(1)(h).

23. By backdating the effective date of full insurance coverage for the Jeep Cherokee after ML was involved in an accident as described in Paragraphs 8 to 11 of this Order, Pentrack committed an unfair trade practice or fraud related to insurance, in violation of ORS 744.074(1)(g).

24. By backdating the effective date of full insurance coverage for the Jeep Cherokee after ML was involved in an accident as described in Paragraphs 8 to 11 of this Order, Pentrack used fraudulent or dishonest practices or demonstrated untrustworthiness in the conduct of business in this state, in violation of ORS 744.074(1)(h).

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25. By reducing the deductible for the Impala after the windshield was cracked as described in Paragraphs 12 to 17 of this Order, Pentrack committed an unfair trade practice or fraud related to insurance, in violation of ORS 744.074(1)(g).

26. By reducing the deductible for the Impala after the windshield was cracked as described in Paragraphs 12 to 17 of this Order, Pentrack used fraudulent or dishonest practices or demonstrated untrustworthiness in the conduct of business in this state, in violation of ORS 744.074(1)(h).

27. ORS 744.074(1)(g) authorizes the Director to suspend, revoke, or refuse to issue a license for committing an unfair trade practice or fraud related to insurance.

28. ORS 744.074(1)(h) authorizes the Director to suspend, revoke, or refuse to issue a license for using fraudulent or dishonest practices or demonstrating untrustworthiness in the conduct of business in this state.

29. The Director has reason to believe that Pentrack violated ORS 744.074(1)(g) and (h). Thus, the Director may order Pentrack under ORS 731.252(1) to cease and desist from violating those statutes.

30. ORS 731.988(1) authorizes the Director to impose upon Pentrack a civil penalty of up to $1,000 per violation of the Insurance Code.

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ORDERS

Now therefore, the Director issues the following Orders:

31. As authorized by ORS 731.252(1), the Director ORDERS Pentrack to CEASE AND DESIST from violating ORS 744.074(1)(g) and (h).

32. As authorized by ORS 744.074(1)(g) and (h), the Director SUSPENDS Pentrack's Oregon individual resident insurance producer license ("License") for 24 MONTHS, starting on the date of this Order.

33. As authorized by ORS 731.988(1), the Director ORDERS Pentrack to pay $3,000 in CIVIL PENALTIES for violating ORS 744.074(1)(g) and (h).

34. The Director SUSPENDS $2,000 of the civil penalties, provided Pentrack:

A. Withdraws Pacific Value, LLC's business entity insurance producer license application within 10 days of the date of this Order and does not reapply until after the suspension of his License has been lifted;

B. Completes six hours of continuing education ("CE") classes in ethics within two years of the date of this Order, in addition to the CE classes required to maintain his License, and submit proof of completion to the Director at 350 Winter Street NE, Room 410, Salem, OR 97301 or DFR.ReportEnforcement@oregon.gov;

C. Completes all other requirements to maintain his License, even during its suspension, including filings and payment of fees; and

D. Does not violate the Insurance Code and this Order.

35. If Pentrack adheres to the above conditions, the $2,000 in suspended civil penalties will be waived after five years from the date of this Order. However, if he fails to do so, the $2,000 in suspended civil penalties will become immediately due and owing.

36. Along with this Order, Pentrack shall submit $1,000 to the Director as payment for the non-suspended portion of the civil penalties.

37. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to this provision, entry of this Order does not limit the Director's authority to enforce this Order or take action against Pentrack for violations of this Order or violations not included in this Order that are discovered after the date of this Order.

SO ORDERED this 8th day of September, 2020.

ANDREW R. STOLFI, Director
Department of Consumer and Business Services

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

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CONSENT TO ENTRY OF ORDER

I, Stephen Todd Pentrack, state that I have read the foregoing Order and that I know and fully understand the contents hereof. The factual allegations stated herein are true and correct. I have been advised of my right to a hearing and of the right to be represented by counsel in this matter. I 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 that I have committed other violations of the Insurance Code. I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Stephen Todd Pentrack
Signature

State of Oregon

County of Washington

Signed or attested before me on this 2 day of September, 2020.

/s/ Kylon Damon McDuffie

Notary Public

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