

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

In the Matter of:

Case No. INS-19-0090

ALAN M. SPAFFORD, DOROTHEA M.  
SPAFFORD, and QUALIFIED  
INSURANCE SERVICES,

ORDER TO CEASE AND DESIST,  
FINAL ORDER SUSPENDING  
LICENSE, FINAL ORDER  
ASSESSING CIVIL PENALTY AND  
CONSENT TO ENTRY OF ORDER

Respondents.

THIS IS A FINAL ORDER

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”) and specifically ORS 744.074, has conducted an investigation into the insurance related activities of Alan M. Spafford, Dorothea M. Spafford, and Qualified Insurance Services (collectively “Respondents”).

Respondents submit to the Director’s jurisdiction and agree to waive their rights to notice and an administrative hearing that arise under ORS 183.415 and wish to resolve this matter by consenting to entry of this Final Order.

Now, therefore, as evidenced by the authorized signatures subscribed on this document, the Director issues the following Findings of Fact and Conclusions of Law and issues the following Orders.

FINDINGS OF FACT

The Director FINDS that:

1. Alan M. Spafford (“Alan Spafford” or “Licensee”) is a Utah resident with his

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1 last recorded business address at 144 W Brigham Road, Suite D-6, St. George, UT  
2 84790. Licensee was an Oregon licensed nonresident individual insurance producer from  
3 May 13, 2010 through May 15, 2014 and since August 15, 2018. Licensee’s NAIC  
4 national producer number is 114715.

5 2. Dorothea M. Spafford (“Dorothea Spafford”) is a Utah resident with her last  
6 recorded business address at 285 West Tabernacle, Suite 202, St. George, UT 84770.  
7 Dorothea Spafford has been licensed as a nonresident individual insurance producer since  
8 May 8, 2015. Dorothea Spafford’s NAIC national producer number is 2354580.

9 3. Qualified Insurance Services (“Qualified”) is a Utah business entity with its  
10 last recorded business address at 2376 Stone Crest Circle, St. George, UT 84790.  
11 Qualified has been licensed as a nonresident business entity insurance producer since  
12 October 6, 2017. Qualified’s NAIC national producer number is 17493084.

13 4. Alan Spafford is the President and 50% owner of Qualified. Dorothea  
14 Spafford is the Chief Executive Officer, Designated Responsible Licensed Producer  
15 (“DRLP”), and 50% owner of Qualified.

16 5. On January 30, 2018, Licensee submitted an application for a Medicare  
17 supplement policy with Mutual of Omaha for Oregon consumer “L.V.” Licensee  
18 submitted the application under Dorothea Spafford’s writing number and forged her  
19 electronic signature on the application.

20 6. On February 27, 2018, Licensee submitted an application for a Medicare  
21 supplement policy with Mutual of Omaha for Oregon consumer “D.R.” Licensee  
22 submitted the application under Dorothea Spafford’s writing number and forged her  
23 electronic signature on the application.

24 7. On March 27, 2018, Licensee submitted an application for a Medicare  
25 supplement policy with Mutual of Omaha for Oregon consumer “J.V.” Licensee  
26 submitted the application under Dorothea Spafford’s writing number and forged her

1 electronic signature on the application.

2 8. On April 5, 2018, Licensee submitted an application for a Medicare  
3 supplement policy with Mutual of Omaha for Oregon consumer “M.O.” Licensee  
4 submitted the application under Dorothea Spafford’s writing number and forged her  
5 electronic signature on the application.

6 9. On June 3, 2018, Licensee submitted an application for a Medicare  
7 supplement policy with Mutual of Omaha for Oregon consumer “R.W.” Licensee  
8 submitted the application under Dorothea Spafford’s writing number and forged her  
9 electronic signature on the application.

10 10. On June 4, 2018, Licensee submitted an application for a Medicare  
11 supplement policy with Mutual of Omaha for Oregon consumer “W.T.” Licensee  
12 submitted the application under Dorothea Spafford’s writing number and forged her  
13 electronic signature on the application.

14  
15 CONCLUSIONS OF LAW

16 The Director CONCLUDES that:

17 11. Pursuant to ORS 731.252(1), whenever the Director has reason to believe that  
18 any person has been engaged or is engaging or is about to engage in any violation of the  
19 Insurance Code, the Director may issue an order to discontinue or desist from such  
20 violation or threatened violation.

21 12. Pursuant to ORS 744.059(2)(b), a business entity is required to designate a  
22 licensed insurance producer responsible for the business entity’s compliance with the  
23 Insurance Code.

24 13. As the DRLP for Qualified, Dorothea Spafford is responsible for Qualified’s  
25 compliance with the Insurance Code.

26 14. Pursuant to ORS 744.053, a person may not sell, solicit or negotiate insurance

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1 in this state for any class or classes of insurance unless the person is licensed as an  
2 insurance producer for that class or those classes in accordance with ORS 744.052 to  
3 744.089.

4 15. Pursuant to ORS 744.074(1)(b), the Director may place a licensee on  
5 probation or suspend, revoke or refuse to issue or renew an insurance producer license  
6 and may take other actions authorized by the Insurance Code in lieu thereof or in addition  
7 thereto, for violating any insurance laws, or violating any rule, subpoena or order of the  
8 Director or of the insurance commissioner of another state or Mexico or Canada.

9 16. Licensee violated ORS 744.053 when he sold, solicited or negotiated  
10 insurance without being licensed as an insurance producer as described in Paragraph 5  
11 through Paragraph 10.

12 17. Pursuant to ORS 744.074(1)(h), the Director may place a licensee on  
13 probation or suspend, revoke or refuse to issue or renew an insurance producer license  
14 and may take other actions authorized by the Insurance Code in lieu thereof or in addition  
15 thereto, for using fraudulent, coercive or dishonest practices, or demonstrating  
16 incompetence, untrustworthiness or financial irresponsibility in the conduct of business in  
17 this state or elsewhere.

18 18. Respondents used fraudulent, coercive or dishonest practices, or demonstrated  
19 incompetence, untrustworthiness or financial irresponsibility in the conduct of business  
20 when Alan Spafford used Dorothea Spafford's writing number and forged her electronic  
21 signature as described in Paragraph 5 through Paragraph 10 above.

22 19. Pursuant to ORS 744.074(1)(k), the Director may place a licensee on  
23 probation or suspend, revoke or refuse to issue or renew an insurance producer license  
24 and may take other actions authorized by the Insurance Code in lieu thereof or in addition  
25 thereto, for forging another person's name to an application for insurance or to any  
26 document related to an insurance transaction.

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1 20. Licensee forged Dorothea Spafford's electronic signature on applications for  
2 insurance as described in Paragraph 5 through Paragraph 10 above.

3 21. Pursuant to ORS 744.074(3), the Director may suspend, revoke or refuse to  
4 issue or renew the insurance producer license of a business entity if the Director  
5 determines that an individual licensee's violation was known or should have been known  
6 by one or more of the partners, officers or managers acting on behalf of the partnership or  
7 corporation but the violation was not reported to the Director and corrective action was  
8 not taken.

9 22. Dorothea Spafford, as Chief Executive Officer and DRLP of Qualified, should  
10 have known that Alan Spafford was selling, soliciting or negotiating insurance without  
11 being licensed and using Dorothea Spafford's writing number and forging her electronic  
12 signature as described in Paragraph 5 through Paragraph 10 above.

13 23. Pursuant to ORS 731.988(1), the Director may impose a civil penalty of up to  
14 \$10,000 per violation upon any person who violates a provision of the Insurance Code.

15  
16 **ORDERS**

17 Now therefore, the Director issues the following Orders:

18 24. As authorized by ORS 731.252(1), the Director ORDERS Respondents to  
19 CEASE AND DESIST from violating ORS 744.053, ORS 744.074(1)(b), ORS  
20 744.074(1)(h), ORS 744.074(1)(k), and ORS 744.074(3).

21 25. The Director, pursuant to ORS 744.074(1), hereby SUSPENDS the  
22 nonresident insurance producer license of Licensee for violating ORS 744.053 and for  
23 using Dorothea Spafford's writing number and forging her electronic signature as  
24 described in Paragraph 5 through Paragraph 10 above. The term of this suspension will  
25 be for six months from the date of this Consent Order.

26 26. As authorized by ORS 731.988(1), the Director ORDERS Respondents to

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1 pay, jointly and severally, a CIVIL PENALTY of \$5,000 for violating ORS 744.053,  
2 ORS 744.074(1)(b), ORS 744.074(1)(h), and ORS 744.074(1)(k). The CIVIL  
3 PENALTY assessed herein is due and payable at the time this Order is returned to the  
4 Division of Financial Regulation.

5 27. This Consent Order is a “Final Order” under ORS 183.310(6)(b). Subject to  
6 that provision, entry of this Consent Order in no way limits or prevents further remedies,  
7 sanctions, or actions which may be available to the Director under Oregon law to enforce  
8 this Consent Order, for violations of this Consent Order, for conduct or actions of  
9 Respondent that are not covered by this Consent Order, or against any party not covered  
10 by this Consent Order.

11 SO ORDERED this 13<sup>th</sup> day of February \_\_\_\_\_, 2020.

12 LOUIS SAVAGE, Acting Director  
13 Department of Consumer and Business Services

14  
15 /s/ Dorothy Bean  
16 Dorothy Bean, Chief of Enforcement  
17 Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, Dorothea M. Spafford, state that I am an officer of Qualified Insurance Services and I am authorized to act on its behalf. I have read the foregoing Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Qualified Insurance Services voluntarily and without any force or duress consents to the entry of this Order expressly waiving any right to a hearing in this matter. Qualified Insurance Services understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code. Qualified Insurance Services will fully comply with the terms and conditions stated herein.

Qualified Insurance Services understands that this Order is a public document.

/s/ Dorothea M. Spafford  
Signature

Dorothea M. Spafford  
Printed name

CEO  
Office held

ACKNOWLEDGMENT

There appeared before me this 5<sup>th</sup> day of February, 2020, Dorothea M. Spafford, who was first duly sworn on oath, and stated that she/he was and is an officer of Qualified Insurance Services and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of Qualified Insurance Services and to bind Qualified Insurance Services to the terms hereof.

/s/ David Anthony Gonzalez  
Signature of Notary Public

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CONSENT TO ENTRY OF ORDER

I, Alan M. Spafford, state that I have read the foregoing Consent Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Consent 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 Consent Order; that I understand that the Director reserves the right to take further actions against me to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Insurance Code by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

/s/ Alan M. Spafford

Signature

State of Utah

County of Washington

Signed or attested before me on this 5<sup>th</sup> day of February, 2020

by Alan M. Spafford.

/s/ David Anthony Gonzalez

Notary Public

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CONSENT TO ENTRY OF ORDER

I, Dorothea M. Spafford, state that I have read the foregoing Consent Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Consent 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 Consent Order; that I understand that the Director reserves the right to take further actions against me to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Insurance Code by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

/s/ Dorothea M. Spafford

Signature

State of Utah

County of Washington

Signed or attested before me on this 5<sup>th</sup> day of February, 2020

by Dorothea M. Spafford.

/s/ David Anthony Gonzalez

Notary Public

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