

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

In the Matter of:

Case No. INS-20-0049

NICHOLAS BAECKER,

Respondent.

FINAL ORDER TO CEASE AND
DESIST; FINAL ORDER REVOKING
LICENSES AND ASSESSING CIVIL
PENALTIES; AND CONSENT TO
ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (“the Director”), having investigated the business activities of Nicholas Baecker (“Baecker”) under Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748, and 750 (“Insurance Code”) and Oregon Administrative Rules (“OAR”) chapter 836, and ORS chapter 59 (“Oregon Securities Law”) and OAR chapter 441, hereby issues the following Findings of Fact, Conclusions of Law, Order, Proposed Orders, and Notice of Right to a Hearing.

Respondent, without admitting or denying the findings of fact and conclusions of law herein, wishes to settle this matter. Respondent is entering into this agreement out of his own free will and not as the result of any duress or undue influence by the Division of Financial Regulation (the “Division”).

Now, therefore, as evidenced by the authorized signature(s) subscribed in this Order, Respondent hereby consents to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law below.

//
//
//

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 **FINDINGS OF FACT**

2 The Director FINDS that:

3 1. Baecker has been an Oregon resident insurance producer since June 23, 2016.
4 Baecker’s national producer number is 13520222.

5 2. Baecker has also been a licensed securities salesperson since September 14,
6 2012, with Central Registration Depository number 5618205.

7 3. At all times relevant, Baecker was registered with Thrivent Investment
8 Management Inc. (“Thrivent”).

9 4. On or about January 6, 2020, the Division received information from Thrivent
10 that Baecker was terminated after an investigation revealed that Baecker failed to collect
11 authentic signatures and made misstatements on product applications including variable
12 products.

13 5. According to Thrivent, Baecker faced three reprimands, including monetary
14 fines and a suspension prior to his termination, as follows:

15 A. In 2010, Baecker received a letter of reprimand from Thrivent and a \$3,000 fine
16 for altering a customer’s signature on a document and signing for another customer on the
17 same account.

18 B. In 2014, Baecker received education from Thrivent related to document
19 irregularities and/or alteration of documents.

20 C. In 2019, Baecker received a one-month suspension and a \$5,000 fine regarding
21 continuing education course requirements.

22 6. In the course of Thrivent’s investigation, Baecker was interviewed twice about
23 documents and signatures: once on August 19, 2019 (the “August Interview”) and once on
24 October 23, 2019 (the “October Interview”).

25 7. Thrivent’s investigation revealed the following facts regarding a Whole Life
26 Plus Term insurance contract (#8271561) that was completed electronically via Thrivent’s

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387





1 CAP System (“CAP”)¹ and signed² on March 17, 2017 at 11:10am³ in Forsyth, Missouri
2 for client BS:

3 A. Thrivent’s review of the application based on Baecker’s calendar, emails and
4 notes showed that Baecker could not have been in Forsyth, Missouri when the application
5 was signed because he was in Portland, Oregon.

6 B. BS’s signature on the application appeared to be irregular compared to other
7 examples of BS’s signature on file with Thrivent.

8 C. As part of the application, Baecker signed the Representative’s Information
9 form indicating that he personally saw the insured and asked each question on the
10 application, including the DOI⁴, which were all answered “No.”

11 D. BS passed away on March 16, 2018 during the contestability period. Thrivent
12 subsequently denied the death claim and returned the premiums paid because BS’s heart
13 condition was not disclosed on the DOI, which would have made her not insurable at the
14 time of the application.

15 E. Thrivent found an email dated February 8, 2017 sent from BS to Baecker stating
16 “Had to have a pacemaker put in 2 ½ weeks ago and feeling stronger. It was a totally
17 hereditary problem...My social life has been Dr. appts, and sure hoping that changes!!”
18 Baecker replied later the same day saying, “Thanks for the note. I am glad you are hanging
19 in there.”
20

21 ¹ The CAP used for completing life insurance applications typically includes the Application for Individual
22 Life Insurance, the Declaration of Insurability (“DOI”), Life Insurance Illustration, and a Representative’s
23 Information form, where the representative indicates that he or she personally saw each proposed insured and
24 asked each question, as well as acknowledges that to the best of his or her knowledge and belief, that he or
25 she knows nothing about the proposed insured’s health, habits or lifestyle affecting insurability, which has
26 not been stated in the application.

² At the time of signing the application using the CAP, both the customer and the representative must be
physically present in order to sign on a signature pad, computer mouse, or by signing the device’s screen
with a finger or stylus.

³ All times stated are in Pacific Time unless otherwise noted.

⁴ The DOI includes questions about hobbies that are considered risky, like sky diving or racing, medical
information within the past 10 years, including a diagnoses or treatment of cancer or heart disease, and use
of alcohol or controlled substances within the past 10 years.



1 F. In the August Interview regarding the investigation into BS’s death claim,
2 Baecker denied signing on behalf of BS and indicated that he learned after BS passed away
3 that she had some cognitive issues and was in denial of her health situation. He also stated
4 that her mother and sister were clients and that they were super healthy, therefore he had
5 no reason to believe that she was not. Baecker stated that potentially he did not go through
6 the DOI with her because it was not a huge contract.

7 8. Thrivent’s investigation revealed the following facts regarding a Whole Life
8 Plus Term insurance contract (#8318918) that was completed electronically via CAP and
9 signed on November 30, 2017 at 12:12pm in Allentown, Pennsylvania for client DW:

10 A. According to Baecker’s calendar, Baecker was in Arizona on November 30,
11 2017 for a face-to-face meeting with a client, GM. GM confirmed that he met with Baecker
12 in-person on November 30, 2017.

13 B. A review of email correspondence between Baecker and his former Office
14 Professional Catherine Jarosz (“Jarosz”) found the following exchange:

15 (1) On November 29, 2017 at 9:26am, an email from Jarosz to Baecker
16 titled with DW’s name: “Did you get a chance to re-submit the application...”

17 (2) On November 29, 2017 at 9:57am, Baecker replied: “Doing it today
18 when I land...”

19 (3) On November 30, 2017 at 12:13pm, Baecker emailed Jarosz stating that
20 “it should be in apps tomorrow.”

21 (4) On November 30, 2017 at 12:13pm, Baecker emailed Jarosz stating that
22 “it was transmitted today.”

23 C. DW’s signature on the application appeared to be irregular compared to other
24 examples of DW’s signature on file with Thrivent.

25 D. On September 16, 2019, Thrivent interviewed DW, who made the following
26 representations:



1 (1) DW stated he had a phone call on November 20, 2017 with Baecker and
2 had agreed to proceed with the life insurance policy.

3 (2) DW confirmed that he did not meet with Baecker on November 30,
4 2017.

5 (3) DW had only met with Baecker in-person on one occasion in March
6 2017 and he never traveled to Portland, Oregon to meet with Baecker.

7 E. In the October Interview, Baecker stated he would have been with DW when
8 he completed the application and obtained DW's signature. When confronted with the
9 information obtained from DW and asked if he had signed on behalf of DW, Baecker
10 responded that he did not remember, and it would just be conjecture at this time because
11 he does not know why he would have signed for DW while in Arizona.

12 F. On November 15, 2019, DW signed and dated a Certificate of Signature
13 Authenticity form stating that the signature on the Whole Life Plus Term application dated
14 November 30, 2017 was not his authentic signature.

15 9. Thrivent's investigation revealed the following facts regarding an application
16 to increase the face amount of an existing VUL insurance contract (#7887569) that was
17 completed electronically via CAP and signed on March 2, 2018 at 9:10am in Portland,
18 Oregon for client JJ:

19 A. According to Baecker's calendar, Baecker met with JJ on March 1, 2018. There
20 were no meetings scheduled for March 2, 2018 and no indication that Baecker met with
21 JJ to sign the application.

22 B. The completion of the application included a completed DOI, with all questions
23 marked "No."

24 C. On March 15, 2018, JJ had a paramedical exam conducted and a new DOI
25 completed. Several health-related questions previously marked "no" were marked "yes."

26 //



1 D. A review of Baecker’s meeting notes with JJ indicated that Baecker was aware
2 of JJ’s medical history and that he was to have surgery regarding his prostate cancer on
3 April 19, 2018. Baecker was aware of JJ’s health issues prior to completing the DOI and
4 he answered “no” to every question.

5 E. JJ’s signature on the application appeared to be irregular compared to other
6 examples of JJ’s signature on file with Thrivent.

7 F. On September 19, 2019, Thrivent contacted JJ and he represented that he did
8 not recall completing an application for an increase to his VUL contract, and that he only
9 recalled discussing that he was interested in lowering his premium with Baecker.

10 G. JJ reviewed the application in question, then signed and dated a Certificate of
11 Signature Authenticity form stating that the signature on the application for an increase in
12 the face amount dated March 2, 2018 was not his authentic signature.

13 10. Thrivent’s investigation revealed the following facts regarding an application
14 to increase the face amount of an existing UL insurance contract (#6009017) that was
15 completed electronically via CAP and signed on August 23, 2017 in Vancouver,
16 Washington for client JL:

17 A. The application indicated that JL signed the application at 12:37am and it was
18 submitted to Thrivent on the same day at 10:38am.

19 B. JL’s signature on the application appeared to be irregular compared to other
20 examples of JL’s signature on file with Thrivent.

21 C. JL stated that he did not recall signing an application around midnight on
22 August 22, 2017. He stated that he thought he would remember someone coming to the
23 house or going somewhere to sign an application that late, as it would be unusual.

24 D. On November 7, 2019, JL signed and dated a Certificate of Signature
25 Authenticity form stating that the signature on the UL application dated August 23, 2017
26 was not his authentic signature.

1 **CONCLUSIONS OF LAW**

2 The Director CONCLUDES that:

3 11. Pursuant to ORS 744.074(1)(h), the Director may revoke an insurance producer
4 license for using fraudulent, coercive or dishonest practices or demonstrated incompetence,
5 untrustworthiness or financial irresponsibility in the conduct of business in this state or
6 elsewhere. As Baecker used fraudulent, dishonest practices, and demonstrated
7 incompetence and untrustworthiness in the conduct of business, as detailed in paragraphs
8 7 through 10, the Director may revoke Baecker’s insurance producer license pursuant to
9 ORS 744.074(1)(h).

10 12. Pursuant to ORS 59.205(2), the Director may revoke the license of a securities
11 salesperson if the Director finds that the licensee engaged in dishonest, fraudulent or illegal
12 practices or conduct in any business or profession. As Baecker engaged in dishonest,
13 fraudulent or illegal practices or conduct in a business or profession, as detailed in
14 paragraphs 7 through 10, the Director may revoke Baecker’s securities salesperson license
15 pursuant to ORS 59.205(2).

16 13. Pursuant to ORS 744.074(1)(k), the Director may revoke an insurance producer
17 license for forging another person’s name to an application for insurance or to any
18 document related to an insurance transaction. As Baecker forged consumer signatures on
19 applications for insurance, as detailed in paragraphs 7(B), 8(B)-(C), 8(E)-(F), 9(F)-(G), and
20 10(C)-(D), the Director may revoke Baecker’s insurance producer license pursuant to ORS
21 744.074(1)(k).

22 14. Pursuant to ORS 746.100, no person shall make a false or fraudulent statement
23 or representation on or relative to an application for insurance, or for the purpose of
24 obtaining a fee, commission, money or benefit from an insurer or insurance producer.
25 Baecker violated ORS 746.100 as detailed in paragraphs 7(C), (E) and (F) and 9(B)-(D).

26 //

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 15. Pursuant to ORS 744.074(1)(b), the Director may revoke an insurance producer
2 license if the licensee violates any insurance law. As Baecker, violated ORS 746.100, the
3 Director may revoke his insurance producer license pursuant to ORS 744.074(1)(b).

4 16. Under ORS 59.245(4) and ORS 731.252(1), the Director is authorized to order
5 Baecker to cease and desist from violating ORS 59.205(2), ORS 744.074(1)(h) and (k),
6 and ORS 746.100 because the Director has reason to believe that Baecker violated these
7 statutes.

8 17. Under ORS 731.988(1), the Director may impose a civil penalty up to \$1,000.00
9 per violation upon any individual who violates a provision of the Insurance Code.

10
11 **ORDERS**

12 Now therefore, the Director issues the following ORDERS:

13 18. As authorized by ORS 59.245(4) and ORS 731.252(1), the Director hereby
14 ORDERS Baecker to CEASE AND DESIST from violating ORS 59.205(2), ORS
15 744.074(1)(h) and (k), and ORS 746.100.

16 19. Pursuant to ORS 744.074(1)(b), (h) and (k), the Director hereby REVOKES
17 Baecker's Oregon resident insurance producer license.

18 20. Pursuant to ORS 59.205(2), the Director hereby REVOKES Baecker's
19 securities salesperson license.

20 21. Pursuant to ORS 731.988(1), the Director hereby ORDERS Baecker's to pay
21 \$5,000 in total civil penalties, allocated as follows:

- 22 A. \$2,000 for four violations of ORS 744.074(1)(h);
- 23 B. \$2,000 for four violations of ORS 744.074(1)(k); and
- 24 C. \$1,000 for two violations of ORS 746.100.

25 //
26 //

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 22. The Director hereby suspends payment of \$4,000 of the CIVIL PENALTY for
2 a period of three years, provided that Respondent does not violate the Oregon Securities
3 Law, Oregon Insurance Code, or terms of this Order, including payment of the \$1,000 non-
4 suspended civil penalty.

5 23. The non-suspended CIVIL PENALTY (\$1,000) is due and payable at the time
6 this Order is submitted to the Director.

7 24. If Respondent fails to satisfy the above conditions, the \$4,000 in suspended
8 civil penalties shall immediately become due and owing. If Respondent satisfies the above
9 conditions, the Director shall waive the suspended civil penalties three years after the date
10 of this Order.

11 25. Entry of this Order in no way limits or prevents further remedies, sanctions, or
12 actions which may be available to the Director under Oregon law to enforce this Order, for
13 violations of this Order, for conduct or actions of Respondent that were not covered by this
14 Order, or against any party not covered by this Order.

15
16 SO ORDERED this 25th day of February, 2021 in Salem,
17 Oregon.

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

20 /s/ Dorothy Bean

21 Dorothy Bean, Chief of Enforcement
22 Division of Financial Regulation

23 *[The remainder of this page is intentionally left blank.]*
24
25
26

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

CONSENT TO ENTRY OF ORDER

I, NICHOLAS BAECKER, state that I have read the foregoing Order and that I know and fully understand the contents hereof; 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, without admitting or denying the allegations of the Order’s Findings of Fact or Conclusions of Law, 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; that 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 of violations of the Oregon Securities Law and Insurance Code by me that are not currently covered in this order that are unknown to the Director at the time of its investigation or that take place subsequent to the date of this Order; and that I will fully comply with the terms and conditions stated herein.

Signature: /s/ Nicholas Baecker

State of Oregon
County of Multnomah

Signed or attested before me on this 24th day of February , 2021

by NICHOLAS BAECKER.

Notary Public

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

