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

In the Matter of: CDS of NEVADA, Inc., Respondent.	Case No. INS-20-0016 ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF 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, 744, 746, 748 and 750 ("Insurance Code"), commenced this administrative proceeding to take enforcement action against CDS of Nevada, Inc. ("Respondent").

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the authorized signatures subscribed on this Order, Respondent hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

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. Respondent has been licensed by the Director, by and through the Division of Financial Regulation, ("the Division") as an Oregon third party administrator since December 13, 2013. Respondent's License expires on December 31, 2021. Respondent's NAIC license number is 100230706.

2. Respondent was licensed as a third party administrator in Oregon throughout calendar years 2017 and 2018.

3. Respondent did not file its annual report for the 2017 calendar year on or before the deadline of March 1, 2018.

4. The Division reminded Respondent of its annual reporting requirement for the 2017 calendar year by email on February 2, 2018, and warned Respondent that failure to file its annual report could subject Respondent to civil penalties, license suspension or license revocation.

5. Respondent did not file its annual report for the 2018 calendar year on or before the deadline of March 1, 2019.

6. The Division reminded Respondent of its annual reporting requirement by email on January 29, 2019, and advised that if Respondent did not file its 2018 annual report on or before March 1, 2019, Respondent could be subject to civil penalties, license suspension, or license revocation.

7. The Division advised Respondent by email on December 12, 2019, that the Division had not received Respondent's 2018 annual report. The Division gave Respondent an additional 30 days from December 12, 2019, to file its 2018 annual Report.

8. Respondent did not file its 2018 annual report within 30 days of December 12, 2019.

9. On March 2, 2020, The Division issued an Order to Cease and Desist, Notice of Proposed Order Suspending License and Assessing Civil Penalty, and Notice of Opportunity for Hearing (Notice Order).

10. On March 11, 2020, Respondent voluntarily surrendered their TPA license.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

11. A person may not transact business or purport or offer to transact business as a third party administrator in Oregon unless the person is licensed by the Director, by and through the Division, as a third party administrator. ORS 744.702.

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12. Until March 11, 2020, Respondent was licensed with the Division as a third party administrator.

13. Under ORS 744.738(1) and Oregon Administrative Rule ("OAR") 836-075-0040, Respondent, as a third party administrator licensee in Oregon, was required to file an annual report with the Division for the 2017 and 2018 calendar years.

14. The deadlines for Respondent to file the 2017 and 2018 annual reports with the Division were March 1, 2018, and March 1, 2019, respectively. Respondent did not file its 2017 and 2018 annual reports with the Division on or before the deadline, in violation of ORS 744.738(1) and OAR 836-075-0040.

15. Under ORS 731.988(1), the Director may assess a civil penalty of up to $10,000 against any person that violates a provision of the Insurance Code or any lawful rule or final order of the Director.

ORDERS

Now therefore, the Director issues the following Orders:

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

17. In accordance with ORS 731.988(1), the Director assesses a CIVIL PENALTY of $2,000 (two thousand dollars) against Respondent for violating ORS 744.738(1) and OAR 836-075-0040.

18. The Director hereby SUSPENDS $1,400 (One thousand, four hundred dollars) of the CIVIL PENALTY for a period of two years from the effective date of this Order, provided Respondent commits no new violations of the Oregon Insurance Code or of any rules adopted thereunder.

19. The non-suspended CIVIL PENALTY ($600) is due and payable at the time this Order is submitted to the Director.

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20. The suspended CIVIL PENALTY will be waived two years from the effective date of this Order, provided Respondent has complied with the forgoing Order terms and does not commit any further violations of the Oregon Insurance Code. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that Respondent has violated any term of this Order or has committed any further violation of the Oregon Insurance Code. This Order is binding upon Respondent's successors and assigns.

21. 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.

SO ORDERED this 16th day of February, 2021.

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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ENTITY CONSENT TO ENTRY OF ORDER

I, Philip Ramirez, state that I am an officer of CDS OF NEVADA, INC. and authorized to act on its behalf. I have read the foregoing Order and that I know and fully understand the contents hereof. I have been advised of CDS OF NEVADA, INC.'s right to a hearing and right to be represented by counsel in this matter. CDS OF NEVADA, INC. voluntarily consents 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. CDS OF NEVADA, INC. understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Debt Management Service Provider law by CDS OF NEVADA, INC. CDS OF NEVADA, INC. will fully comply with the terms and conditions stated herein.

CDS OF NEVADA, INC. understands that this Consent Order is a public document.

Signature: */s/ Philip Ramirez*

Position Held: Chief Compliance Officer

State of Nevada

County of Washoe

Signed or attested before me on this 12th day of January, 2021

By Philip Ramirez.

/s/ Linda F. Gelmstedt
Notary Public

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