

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

In the Matter of:

Case No. INS-20-0058

B & D INSURANCE SERVICES, INC., a Texas corporation, SHAWN CANALES, an individual, and JAMES MCKOIN, an individual,

FINAL ORDER TO CEASE AND DESIST AND FINAL ORDER ASSESSING A CIVIL PENALTY, ENTERED BY DEFAULT

Respondents.

On January 7, 2021, the Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting under Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 (“Insurance Code”), properly served notice on B & D Insurance Services, Inc. (“B & D”), Shawn Canales (“Canales”) and James McKoin (“McKoin”, collectively “Respondents.”) that the Director proposed to assess a civil penalty against Respondents.

The Notice offered Respondents an opportunity for a hearing, if requested within 20 days. The Notice further informed Respondents that if a hearing was not conducted because Respondents did not timely request a hearing or otherwise defaulted, then the designated portion of the Director’s file and all materials submitted by Respondents 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 Respondents a request for a hearing and did not conduct a hearing.

The Director finds that the record of this proceeding proves a *prima facie* case.

The Director makes the following Findings of Fact, Conclusions of Law, Orders, and Notice of Right to Judicial Appeal.

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. McKoin had been licensed as a resident insurance producer in Texas from May
4 21, 2008 until McKoin’s license was revoked on September 16, 2020. McKoin’s national
5 insurance producer number is 10345091.

6 2. Canales had been licensed as a resident insurance producer in Texas from
7 October 2, 2002 until Canales’s license was revoked on February 6, 2012. Canales’s
8 national insurance producer number is 7101128.

9 3. On February 1, 2012, McKoin formed B & D, a Texas corporation. B & D had
10 been licensed as a resident insurance producer in Texas from February 21, 2012 until B &
11 D’s license was revoked on September 16, 2020. B & D’s national insurance producer
12 number is 16552761.

13 4. On February 6, 2012, Canales’s insurance license was revoked by the Texas
14 Department of Insurance, Order No. 12-0101, for misappropriation of premiums and other
15 fraudulent conduct dealing with premium finance agreements.

16 5. On September 16, 2020, McKoin’s and B & D’s insurance licenses were
17 revoked by the Texas Department of Insurance, Order No. 2020-6470, for misappropriating
18 premiums, engaging in fraudulent or dishonest acts or practices, and allowing Canales to
19 engage in the business of insurance without being licensed.

20 6. Respondents all share a common business address at 14101 B Harris Ridge
21 Blvd., Pflugerville, TX 78660.

22 7. Respondents have never held insurance producer licenses in the state of Oregon.

23 8. On or around December 9, 2019, the Division of Financial Regulation
24 (“Division”) received a consumer complaint from Oregon consumer J.S. stating that he had
25 purchased a commercial insurance policy for his Oregon business John Arien David, LLC
26 through Canales of B & D.

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1 9. The Division’s investigation revealed that Canales communicated directly with
2 J.S. regarding the purchase of an insurance policy placed through Maximum Independent
3 Brokerage, LLC (“MIB”), an insurance broker.

4 10. J.S. made multiple checks out to B & D for premium payments. McKoin was
5 listed as the agent/owner on the appointment contract with MIB.

6 11. On January 28, 2020, the Division sent Canales an email inquiry requesting his
7 response to the alleged unlicensed activity, and providing a deadline of 21 days for Canales
8 to provide a response. The email was sent to shawnbndins@gmail.com. It is the same email
9 address that Canales used when communicating with J.S. and MIB.

10 12. On March 13, 2020, the Division sent McKoin and B & D an email inquiry
11 requesting their response to the alleged unlicensed activity, and providing a deadline of 21
12 days for McKoin and B & D to provide a response. The email was sent to
13 jmckoin@gmail.com. It is the same email address McKoin that listed on his appointment
14 contract with MIB.

15 13. On March 13, 2020, after receiving no response from Canales, the Director sent
16 another email to Canales requesting a response.

17 14. Respondents have not responded to the Division’s inquiries.

18
19 **CONCLUSIONS OF LAW**

20 The Director CONCLUDES that:

21 15. Under ORS 731.252(1), whenever the Director has reason to believe that any
22 person has been engaged or is engaging or is about to engage in any violation of the
23 Insurance Code, the Director may issue an order to discontinue or desist from such
24 violation or threatened violation.

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26 //

1 16. ORS 744.053 prohibits a person from selling, soliciting or negotiating insurance
2 in Oregon unless the person is licensed as an insurance producer for that class or classes of
3 insurance. Respondents violated ORS 744.053 when they sold, solicited and negotiated a
4 commercial insurance policy to an Oregon consumer without being properly licensed to do
5 so, as follows:

6 A. Canales had direct contact with J.S. providing quotes, binding coverage and
7 making changes to the commercial insurance policy;

8 B. J.S. wrote insurance premium checks to B & D, and B & D held the appointment
9 contract with MIB that allowed Canales to place coverage for J.S.; and

10 C. McKoin was listed on the appointment contract with MIB that allowed Canales
11 to place coverage for J.S. Additionally, McKoin received invoices and communications,
12 including cancelation notices, from MIB related to J.S.'s commercial insurance policy.

13 17. Under ORS 731.988(1), the Director may impose a civil penalty of up to
14 \$10,000 per offense for any violation of the Insurance Code. The civil penalty for
15 individual insurance producers may not exceed \$1,000 for each offense.

16
17 **ORDERS**

18 Now therefore, the Director issues the following Orders:

19 18. As authorized by ORS 731.252(1), the Director ORDERS Respondents to
20 CEASE AND DESIST from violating ORS 744.053.

21 19. Based upon the foregoing and under ORS 731.988(1), the Director assesses a
22 CIVIL PENALTY against B & D in the amount of ten thousand dollars (\$10,000.00) for
23 selling, soliciting or negotiating insurance in violation of ORS 744.053.

24 20. The Director assesses a CIVIL PENALTY against Canales in the amount of
25 one thousand dollars (\$1,000.00) for selling, soliciting or negotiating insurance in violation
26 of ORS 744.053.



1 21. The Director assesses a CIVIL PENALTY against McKoin in the amount of
2 one thousand dollars (\$1,000.00) for selling, soliciting or negotiating insurance in violation
3 of ORS 744.053.
4

5 SO ORDERED this 9th day of February, 2021 in Salem,
6 Oregon.

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

9 /s/ Dorothy Bean
10 Dorothy Bean, Chief of Enforcement
11 Division of Financial Regulation

12 NOTICE OF RIGHT TO JUDICIAL APPEAL

13 You are entitled to judicial review of this order in accordance with ORS 183.482.
14 You may request judicial review by filing a petition with the Court of Appeals in Salem,
15 Oregon, within 60 days from the date this order is served.

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