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

In the Matter of WILLIAM I. SHANKSY, Respondent.	Case No. INS-20-0087 FINAL ORDER TO CEASE AND DESIST AND REVOKING AND DENYING APPLICATION FOR AN INSURANCE PRODUCER LICENSE, ENTERED BY DEFAULT

On November 24, 2020, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), by and through the Division of Financial Regulation ("Division"), served Notice of Administrative Order INS-20-0087 ("Notice") on William I. Shansky ("Respondent"). The Notice provided notice that the Director issued an order to cease and desist and proposed to revoke and deny Respondent's application for an insurance producer license for violations of Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750 ("Insurance Code") and the Oregon Administrative Rules ("OAR") promulgated under those laws.

The Notice offered Respondent an opportunity for a hearing if requested within 60 days of service of the Notice. The Notice further informed Respondent that if a hearing were not conducted because Respondent did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Respondent 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 Respondent 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.

Now, therefore, after considering the relevant portions of the Division's file relating

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to this matter, the Director finds and orders as follows.

FINDINGS OF FACT

The Director FINDS that:

1. On July 31, 2013, Respondent applied for an Oregon nonresident individual insurance producer license (the "Original Application"). Respondent has held his Oregon nonresident individual insurance producer license since then. Respondent's National Association of Insurance Commissioners national producer number is 7710488.

2. In the Original Application, Respondent answered "No" to the following question: "Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with a crime?"

3. In fact, Respondent had been charged with three crimes in Broward County, Florida on December 21, 2008, and Respondent ultimately pleaded guilty to a single misdemeanor on March 19, 2009.

4. On March 25, 2016, Respondent applied to renew his Oregon nonresident individual insurance producer license (the "Renewal Application"). In the Renewal Application, Respondent answered "No" to the following questions:

1a. "Have you been convicted of a misdemeanor, had a judgment withheld or deferred, or are you currently charged with committing a misdemeanor, which as not been previously reported to this insurance department?"

2. "Have you been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration, which has not been previously reported to this insurance department?"

5. In fact, Respondent had been named or involved as a party in at least two administrative proceedings regarding his professional or occupational license or registration before he filed the Renewal Application.

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6. Specifically, on or about June 12, 2015, the Indiana Department of Insurance entered an order against Respondent for failing to disclose his criminal history on both his original and renewal applications in that state, resulting in the imposition of a $500 fine. Then, on or about December 2, 2015, the Virginia State Corporation Commission entered into a settlement order with Respondent for providing materially incorrect or incomplete information on his license application by failing to disclose his criminal record or history, resulting in the imposition of a $500 fine.

7. In addition, Respondent was named or involved as a party in at least three more administrative proceedings regarding his professional or occupational license or registration after he filed the Renewal Application.

8. Specifically, on or about April 15, 2016, the North Carolina Department of Insurance entered an order against Respondent for making a misstatement on an application regarding his criminal record or history, resulting in the imposition of a $250 fine. Then, on or about July 22, 2016, the Louisiana Department of Insurance fined Respondent $500 for failing to report the April 15, 2016, North Carolina administrative action to Louisiana, as required under its laws. Finally, on or about November 4, 2016, the Louisiana Department of Insurance entered into a consent agreement with Respondent following his failure to pay the fine from July 2016, resulting his Respondent surrendering his individual insurance producer license in that state.'

9. On or about October 1, 2020, Respondent submitted a second renewal application. Respondent replied "No" to the same questions as described above in Paragraph 4.

10. At no time did Respondent report to the Division any of the foregoing administrative actions taken against him or his criminal history.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

11. Under ORS 744.074(1)(a), the Director may revoke or refuse to renew an insurance producer license if a licensee provides incorrect, misleading, incomplete, or materially untrue information in the license application.

12. Because Respondent failed to disclose his criminal history as well as the administrative actions taken against him in other jurisdictions, Respondent provided incorrect, misleading, incomplete, or materially untrue information on both the Original Application and the Renewal Application. Therefore, the Director may revoke and refuse to renew Respondent's non-resident insurance producer license under ORS 744.074(1)(a).

13. Under ORS 744.074(1)(b), the Director may revoke or refuse to renew an insurance producer license if a licensee violates any insurance laws, rules, subpoenas, or orders of the Director or of an insurance commissioner of another state.

14. Under ORS 744.089(1), an insurance producer shall report to the Director any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state not later than the 30th day after the date of the final disposition of the matter. This report shall include a copy of the order, consent to order and other relevant legal documents.

15. By failing to report to the Director the administrative actions taken against him in other jurisdictions within 30 days of the date of the final dispositions in those matters, Respondent violated ORS 744.089(1).

16. Under ORS 744.089(2), not later than the 30th day after the initial pretrial hearing date, an insurance producer shall report to the Director any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents.

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17. By failing to report to the Director his criminal prosecution within 30 days after the initial pretrial hearing date in that prosecution, Respondent violated ORS 744.089(2).

18. Because Respondent violated the laws and rules of the Director, including ORS 744.089(1) and 744.089(2), and further because Respondent violated the laws and rules of the insurance commissioners of North Carolina, Virginia, Indiana, and Louisiana, the Director may revoke and refuse to renew Respondent's non-resident insurance producer license under ORS 744.074(1)(b).

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

20. Because the Director has reason to believe that Respondent has violated the Insurance Code, including ORS 744.074(1), the Director may issue an order directed to Respondent to discontinue or desist from that violation under ORS 731.252(1).

ORDERS

The Director ISSUES the following ORDERS:

Order to Cease and Desist

21. Pursuant to the authority of ORS 731.252(1), the Director hereby orders Respondent to CEASE AND DESIST from violating ORS 744.074(1).

Order to Revoke and Deny Application for Insurance Producer License

22. Pursuant to the authority of ORS 744.074(1), the Director hereby REVOKES Respondent's nonresident individual insurance producer license and to DENIES Respondent's application to renew the same.

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FINAL ORDER

23. 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.

IT IS SO ORDERED.

Dated this 16th day of March, 2021.

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

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

NOTICE OF RIGHT TO JUDICIAL APPEAL

Judicial review of final orders in contested cases is governed by ORS 183.482. Respondents may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this order is served.

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