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

In the Matter of: CATHY P. DANG and DANG CATHY AGENCY CORPORATION, Respondents.	Case No. INS-21-0014 ORDER TO CEASE AND DESIST, FINAL ORDER IMPOSING TERMS OF PROBATION, FINAL ORDER ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER 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"), has conducted an investigation into the insurance related activities of Cathy P. Dang and Dang Cathy Agency Corporation (collectively "Respondents") regarding violations of the Insurance Code.

Respondents wish to resolve and settle this matter with the Director and the Director concludes that the goal to protect the public is served with the issuance of this Consent Order.

Now therefore, as evidenced by the signatures subscribed in this Order, Respondents hereby consent to entry of this Order upon the Director's Findings of Fact and Conclusions of Law.

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Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. Cathy P. Dang ("Dang") has been an Oregon licensed resident individual insurance producer since October 3, 2014. Dang's NAIC national producer number is

17387647.

2. Dang Cathy Agency Corporation ("DCA") has been an Oregon licensed resident business entity insurance producer since October 24, 2018. DCA's NAIC national producer number is 18953989.

3. Dang is the Designated Responsible Licensed Producer for DCA.

4. On December 1, 2018, Dang was appointed by Allstate Insurance Company ("Allstate") to sell property and casualty insurance products pursuant to R3001 Exclusive Agency Agreement.

5. From April 2019 through July 2019, Respondents used either Dang's credit card or DCA's agency bank account (collectively "Agency Funds") to pay customers' premium down payments or obtain discounts on auto and renters insurance policies as follows:

A. On April 13, 2019, Respondents issued to Oregon consumer "S.L." an Allstate renters policy with an annual premium of $163.73 without S.L.'s knowledge or consent. Respondents paid S.L.'s premium down payment of $15.14 using Agency Funds.

B. On May 1, 2019, Respondents issued to Oregon consumer "B.J." an Allstate renters policy with an annual premium of $200.41 without B.J.'s knowledge or consent. Respondents paid B.J.'s premium down payment of $34.91 using Agency Funds.

C. On May 6, 2019, Respondents issued to Oregon consumer "T.T." an Allstate renters policy with an annual premium of $110.54 without T.T.'s knowledge or consent. Respondents paid T.T.'s premium down payment of $11.55 using Agency Funds.

D. On May 17, 2019, Respondents issued to Oregon consumers "J.L." and "L.N" an Allstate renters policy with an annual premium of $127.05 without J.L.'s or L.N.'s knowledge or consent. Respondents paid J.L.'s and L.N.'s premium down payment of $21.17 using Agency Funds.

E. On May 24, 2019, Respondents issued to Oregon consumer "D.N." an Allstate renters policy with an annual premium of $172.90. Respondents paid D.N.'s premium

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down payment of $15.91 using Agency Funds.

F. On June 4, 2019, Respondents issued to Oregon consumer "C.N." an Allstate auto insurance policy and used DCA's agency bank account on the application in order to obtain an electronic funds transfer discount for C.N.

G. On July 4, 2019, Respondents issued to Oregon consumer "D.R." an Allstate auto insurance policy and used DCA's agency bank account on the application in order to obtain an electronic funds transfer discount for D.R.

6. In or around October 2019, Allstate initiated an investigation of Respondents' insurance related activities described in Paragraph 5 above. As a result of the investigation, Allstate terminated Dang's R3001 Exclusive Agency Agreement.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

7. Pursuant to 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 to discontinue or desist from such violation or threatened violation.

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

9. Respondents used fraudulent, coercive or dishonest practices in violation of ORS 744.074(1)(h) by paying consumers' insurance premiums or parts of consumers' insurance premiums as described in Paragraph 5 above.

10. Pursuant to ORS 744.074(1)(b), the Director may place a licensee on probation

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or suspend, revoke or refuse to issue or renew an insurance producer license and may take other actions authorized by the Insurance Code in lieu thereof or in addition thereto, for violating any insurance laws, or violating any rule, subpoena or order of the director or of the insurance commissioner of another state or Mexico or Canada.

11. Pursuant to ORS 746.045(1), a person may not personally or otherwise offer, promise, allow, give, set off, pay or receive, directly or indirectly, any rebate of or rebate of part of the premium payable on an insurance policy or the insurance producer's commission on an insurance policy, or earnings, profit, dividends or other benefit founded, arising, accruing or to accrue on or from the policy, or any other valuable consideration or inducement to or for insurance on any domestic risk, which is not specified in the policy.

12. Respondents violated ORS 746.045(1) by paying consumers' insurance premiums or parts of consumers' insurance premiums as described in Paragraph 5 above.

13. Pursuant to ORS 731.988(1) the Director may impose a civil penalty of up to $10,000 per violation upon any person that violates any provision of the Insurance Code or any lawful rule or final order of the Director.

ORDERS

Now therefore, the Director issues the following ORDERS:

14. As authorized by ORS 731.252(1), the Director ORDERS Respondents to CEASE AND DESIST from violating ORS 744.074(1) and ORS 746.045(1).

15. As authorized by ORS 744.074(1), the Director ORDERS that the resident insurance producer licenses of Respondents be subject to the following terms of probation.

A. Respondents shall obey all federal, state, and local laws.

B. Respondents shall comply with all insurance statutes, rules, and regulations.

C. Respondents shall comply with all licensing requirements of any state.

D. Dang will submit proof of completion of eight hours of continuing education in ethics to the Division (DFR.ReportEnforcement@oregon.gov) within 180 days of the

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effective date of this Consent Order. This continuing education requirement is in addition to any other continuing education requirements for maintenance of Respondents' licenses.

16. The term of this probation will be for two years from the effective date of this Consent Order.

17. The Director, as authorized by ORS 731.988(1), ORDERS that Respondents pay a CIVIL PENALTY of $5,000 for violations of ORS 744.074(1) and ORS 746.045(1).

18. The Director SUSPENDS the collection of $2,500 of the total $5,000 CIVIL PENALTY assessed above, so long as Respondents comply with all terms and conditions of this Consent Order and all requirements of the Insurance Code. If Respondents comply with the terms of this Consent Order during the two-year period from the effective date of this Consent Order, and the Director does not initiate an enforcement action for violations of the Consent Order or any new violations of the Insurance Code during that two-year period, the Director WAIVES the collection of the suspended CIVIL PENALTY assessed herein.

19. The $2,500 CIVIL PENALTY that is not suspended is due and payable at the time this Consent Order is returned to the Division.

20. 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 25th day of May, 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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CONSENT TO ENTRY OF ORDER

I, Cathy Dang, state that I have read the foregoing 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 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 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 Order is a public document.

/s/ Cathy Dang

Signature

State of Oregon

County of Multnomah

Signed or attested before me on this 10 day of May, 2021 by Cathy Dang.

/s/ Hanguyen Thi Nguyen

Notary Public

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ENTITY CONSENT TO ENTRY OF ORDER

I, Cathy Dang, state that I am an officer of Dang Cathy Agency Corporation and I am authorized to act on its behalf. I have read the foregoing Consent 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. Dang Cathy Agency Corporation voluntarily and without any force or duress consents to the entry of this Consent Order expressly waiving any right to a hearing in this matter. Dang Cathy Agency Corporation understands that the Director reserves the right to take further actions to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Oregon Insurance Code. Dang Cathy Agency Corporation will fully comply with the terms and conditions stated herein.

Dang Cathy Agency Corporation further assures the Director that neither Dang Cathy Agency Corporation nor its officers, directors, employees, or agents will transact insurance in Oregon unless such activities are in full compliance with the Oregon Insurance Code. Dang Cathy Agency Corporation understands that this Consent Order is a public document.

Dated this 10 of May 2021.

/s/ Cathy Dang
Signature

President
Office Held

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ENTITY ACKNOWLEDGMENT

There appeared before me this 10 day of May, 2021, Cathy Dang, who was first duly sworn on oath, and stated that he/she was and is an officer of Dang Cathy Agency Corporation and that he/she is authorized and empowered to sign this Consent to Entry of Order on behalf of Dang Cathy Agency Corporation and to bind Dang Cathy Agency Corporation to the terms hereof.

/s/ Hanguyen Thi Nguyen
Notary Public for the State of: Oregon
My commission expires: 8/20/21

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