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

In the Matter of:	Case No. INS-16-0356
JAMES LEE CARPENTER, Respondent.	FINAL ORDER TO CEASE AND DESIST, FINAL ORDER REVOKING LICENSES, ENTERED BY DEFAULT

On November 1, 2016, 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"), properly served Notice on JAMES LEE CARPENTER ("Respondent") proposing to revoke the Oregon resident insurance producer license of Respondent. On December 8, 2015, the Director properly served on Respondent an amended Notice Order to include the revocation of the Respondent's Oregon broker dealer securities salesperson license.

Both Notice Orders offered Respondent an opportunity for a hearing, if requested within 30 days. The Notice Orders further informed Respondent that if a hearing was not conducted because Respondent did not timely request a hearing or otherwise defaulted, then the designated portion of the Director'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.

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

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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FINDINGS OF FACT

The Director FINDS that:

1. Respondent has been licensed as an Oregon resident insurance producer since July 10, 1990. Respondent's resident insurance producer license is scheduled to expire on September 30, 2017. His NAIC national producer number is 679964.

2. Respondent was licensed to sell securities as a registered agent in Oregon from June 13, 2012 to December 2, 2015. His CRD number is 2199138.

3. On August 15, 2016, the Financial Industry Regulatory Authority ("FINRA") permanently barred Respondent from associating with any FINRA member in any capacity for failing to request termination of his suspension within three months of the date of the Notice of Suspension. FINRA is a self-regulatory organization registered under the Securities Exchange Act of 1934.

4. On August 22, 2016, the State of Wyoming issued an order revoking Respondent's license.

5. On October 21, 2015, the State of Idaho issued an order revoking Respondent's license.

6. Respondent failed to provide notice of the administrative actions listed above to the Director within 30 days.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

7. Pursuant to Qualification of Agents Selling Variable Life Insurance, Including Annuities under Oregon Administrative Rules 836-071-0185, a person shall not solicit, place or procure variable life insurance contracts or policies, including annuities, unless the person has completed to the Director's satisfaction an examination of the Financial Industry Regulatory Authority (FINRA) that is Series 6 or Series 7 and is licensed to a securities dealer in Oregon. Respondent may not sell variable life insurance because he

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is barred from FINRA and cannot be licensed to a securities dealer.

8. Under Oregon Revised Statutes ("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. Respondent failed to notify the Director of the administrative actions within 30 days of the final disposition of the matters.

9. Pursuant to ORS 744.074(1)(b), the Director may revoke an insurance producer license for violating any insurance laws, or violating any rule, subpoena or order of the director or of the insurance commissioner of another state. The Director may revoke Respondent's License because Respondent failed to report administrative actions taken against him in other states.

10. Under ORS 744.074(1)(i), the Director may revoke an insurance producer license for the cancellation, revocation, suspension or refusal to renew by any state. The record of the cancellation, revocation, suspension or refusal to renew shall be conclusive evidence of the action taken.

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11. Pursuant to ORS 59.205(12)(b), the Director may by order deny, suspend or revoke, or impose conditions or restrictions on, a securities salesperson license of a broker-dealer, state investment adviser, investment adviser representative or salesperson if the director finds that the licensee is the subject of a suspension or expulsion from membership in or association with a member of a self-regulatory organization registered under the Securities Exchange Act of 1934.

ORDER

Now therefore, the Director issues the following Orders:

12. As authorized by ORS 731.252(1), the Director ORDERS Respondent to CEASE AND DESIST from violating any provision of the ORS chapters 731, 732, 733,

734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750, and ORS chapter 59 or the administrative rules promulgated thereunder.

13. The Director, pursuant to ORS 744.074(1)(b), (h) and (i), hereby REVOKES Respondent's Oregon resident insurance producer license.

14. The Director, pursuant to ORS 59.205(12)(b), hereby REVOKES Respondent's Oregon broker dealer securities salesperson license.

15. The Director, pursuant to ORS 59.045, hereby DENIES Respondent the use of any exemptions that would otherwise be available under ORS 59.025 or ORS 59.035, concerning persons, securities, or transactions exempt from the registration requirements of the Oregon Securities Law under ORS chapter 59 and the administrative rules promulgated thereunder.

SO ORDERED this 13th day of January, 2017 in Salem, Oregon.

PATRICK M. ALLEN, Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

NOTICE OF RIGHT TO JUDICIAL APPEAL

You are entitled to judicial review of this order in accordance with ORS 183.482. You 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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