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

IN THE MATTER OF:	)	FINAL ORDER
J Medelez, LLC	)	OAH Case No. 2024-ABC-06614
	)	Agency Case No.: INS-WC 24-06-15

Procedural History

The Director of the Oregon Department of Consumer and Business Services (Director), by and through Division of Financial Regulation, (Division), commenced the above entitled administrative proceeding to review a workers' compensation insurance Final Premium Audit Billing (Billing) issued by SAIF Corporation (SAIF) to J. Medelez, LLC. (Employer) pursuant to Oregon Revised Statutes (ORS) 737.256(1), ORS 737.505(3), and Oregon Administrative Rules (OAR) 836-043-0200 *et. seq.*

On June 28, 2024, the Division referred Employer's hearing request contesting the Billing to the Office of Administrative Hearings (OAH). The issue before OAH was whether the Company's dispute of the Billing and Petition should be dismissed for failing to meet the requirements of OAR 836-005-0112 and OAR 836-043-0170. By Proposed Order September 17, 2024, Senior Administrative Law Judge (ALJ) Samantha A. Fair dismissed the Petition and dispute of the Billing, filed on June 25, 2024. The Final Premium audit Billing issued on May 15, 2024, remains affirmed.

Findings of Fact, Conclusions of Law and Opinion

The Director adopts, and incorporates herein by this reference, the findings of fact, conclusions of law, and reasoning of the Proposed Order as the findings of fact, conclusions of law, and reasoning of this Final Order.

Order

SAIF Corporation's Final Premium Audit issued May 15, 2024, SAIF remains AFFIRMED.

Notice of Right to Judicial Review

A party has the right to judicial review of this order pursuant to ORS 183.480 and ORS 183.482. A party may request judicial review by sending a petition for judicial review to the Oregon Court of Appeals. The court must receive the petition within 60 days from the date this order was served on the party. If the order was personally delivered to a party, then the date of service is the date the party received the order. If the order was mailed to a party, then the date of service is the date the order was mailed to the party, not the date the party received the order. If a party files a petition, the party is requested to also send a copy of the petition to the Division of Financial Regulation.

Dated July 13, 2026

TK Keen
Administrator, Division of Financial Regulation
Department of Consumer and Business Services

BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF OREGON
for the
DEPARTMENT OF CONSUMER & BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

IN THE MATTER OF:	)	**PROPOSED ORDER BY DEFAULT**
	)	
J MEDELEZ LLC	)	OAH Case No. 2024-ABC-06614
	)	Agency Case No. INS-WC 24-06-15
	)	

HISTORY OF THE CASE

On May 15, 2024, SAIF issued a Final Premium Audit Billing (Billing) to J Medelez LLC (Company) for the period of August 16, 2022, to September 1, 2023. On June 25, 2024, Ramiro Alatorre emailed a Petition with the Division of Financial Regulation of the Department of Consumer and Business Services (Department) that included a statement from Kelly Medelez Jr., disputing the Billing.

On June 28, 2024, the Department referred the matter to the Office of Administrative Hearings (OAH).

On August 6, 2024, ALJ Fair convened a prehearing conference. Mr. Alatorre appeared. No one else appeared for the Company. Special Assistant Attorney General Sydney Skidmore appeared and represented SAIF. Kathleen Saludares, a SAIF premium audit analyst, also appeared on behalf of SAIF. ALJ Fair scheduled the hearing[1] for September 12, 2024, and set deadlines for the submission of witness lists and exhibits.

On August 28, 2024, the Department filed a statement that provided its position on the issue for hearing.

On September 12, 2024, ALJ Fair convened a telephone hearing. Ms. Skidmore represented SAIF. Ms. Saludares testified on behalf of SAIF. No one appeared for the Company.[2] The record closed on September 12, 2024, at the conclusion of the hearing.

ISSUE

Whether the Company's dispute of the Billing and Petition should be dismissal for failing

[1] The only issue for the hearing was whether there was a valid dispute and Petition.

[2] OAR 836-043-0170(8) allows the Division to dismiss the insured's request for hearing based on certain specified grounds that do not include the failure of the insured to appear at the hearing. Therefore, this Proposed Order by Default is issued.

to meet the requirements of OAR 836-005-0112 and OAR 836-043-0170.

EVIDENTIARY RULINGS

Exhibits A1 through A3, offered by SAIF, were admitted into the record without objection. Exhibits A4 through A6 (copies of Oregon statutes and rules) were not admitted into the record.

FINDINGS OF FACT

1. The Company is a trucking company that primarily hauls raw and refrigerated agricultural products. The Company is located in Hermiston, Oregon. (Ex. A1 at 3; test. of Saludares.) On May 15, 2024, SAIF issued the Company a final premium audit billing for the period August 16, 2022, through September 1, 2023. (Ex. A1.)

2. On June 24, 2024, Mr. Alatorre signed a Petition[3] that disputed the Billing issued by SAIF to the Company. (Ex. A2 at 2.) In the Petition, the billing errors were described as "would like to dispute the attached audit." (*Id*. at 1.) The Petition provided no additional explanation for any alleged errors in the Billing and provided no description of any actions needed to correct the alleged errors. (*Id*. at 1-2.) Mr. Alatorre is not an employee or officer of the Company. (Test. of Saludares.)

3. On June 25, 2024, Mr. Alatorre emailed the Petition to the Department that included a request from Kelly Medelez Jr. to "dispute the attached audit." (Ex. A3 at 1.) Kelly Medelez Jr. identified themselves as a member of KJ Medelez LLC. (*Id*.)

CONCLUSION OF LAW

The Company's dispute of the Billing and Petition are dismissed.

OPINION

ORS 737.318 establishes a premium audit program that provides, in part:

> (1) A workers' compensation insurer shall maintain a premium audit program to aid in achieving equitable premium charges to Oregon employers and for the collection of credible statewide data for ratemaking.
>
> * * * * *
>
> (3) The premium audit system shall include provisions for:
>
> * * * * *

[3] His signature was placed on the signature line that the Petition identified was for the "authorized representative" of the insured. (Ex. A2 at 2.)

> (d) An appeal process pursuant to ORS 737.505 for employers to question the results of a premium audit[.]

ORS 737.505(4) requires any party appealing the results of a premium audit to file an appeal with the Department within 60 days of the receipt of the billing. On May 15, 2024, SAIF issued the Billing to the Company. On June 25, 2024, Mr. Alatorre forwarded an email containing a statement from Kelly Medelez Jr., disputing the Billing, and the Petition, signed by Mr. Alatorre.

ORS 183.457(1)(d) allows an insured to be represented by an authorized representative for hearings conducted pursuant to ORS 737.505. ORS 183.457(5) defines "authorized representative" as "a member of a participating partnership, an authorized officer or regular employee of a participating corporation, association or organized group." The Department promulgated OAR 836-005-0112 that reiterates this use and definition of authorized representatives. OAR 836-005-0112(4)(a) provides, in part:

> Authorized representative means a member of a partnership that is a party or limited party in the contested case, an authorized officer or regular employee of a corporation, association or organized group that is a party or limited party in the contested case[.]

Mr. Alatorre is neither an employee nor an officer of the Company. Kelly Medelez Jr. identified themselves as a member of KJ Medelez LLC, a separate company. The evidence failed to establish that Mr. Alatorre or Kelly Medelez Jr. have the qualifications necessary for them to be authorized representatives, as defined by ORS 183.457(5) and OAR 836-005-0112(4)(a).

OAR 836-043-0170 provides, in part:

> (1) This rule establishes the procedure for an insured to request a hearing to dispute the results of an audit, as described in a final premium audit billing issued by an insurer to the insured, pursuant to ORS 737.318(3)(d) and 737.505(4) to (5). If an insured wants to request a hearing, then the insured must send a written request for a hearing to the Insurance Division. The Insurance Division must receive the request not later than the 60th day after the insured received the final premium audit billing. * * *.
>
> (2) If the Insurance Division timely receives the insured's request for a hearing, the Insurance Division will send or make available to the insured a petition form. In the petition, the insured must explain why it believes the billing is incorrect and describe the actions the insured wants the director to take to correct the matter. The petition, along with a complete copy of the final premium audit billing, must be received by the Insurance Division not later than the 60th day after the date the

Insurance Division received the insured's request for a hearing.

* * * * *

(8) Unless otherwise provided by statute or rule, the director shall dismiss an insured's request for a hearing if:

* * * * *

(d) The director does not have jurisdiction in the matter[.]

To dispute the results of an audit, the insured, here the Company, must file a request for hearing and a Petition with the Department. Because Mr. Alatorre and Kelly Medelez Jr. are not employees or officers of the Company, they cannot act as the Company's authorized representatives. Additionally, there was no evidence that they have any legal standing to act on behalf of the Company. Therefore, the dispute and the Petition are not valid as they were not completed by an individual authorized by law to act on the Company's behalf. Secondly, the Petition failed to explain why the Billing was incorrect and failed to describe the actions the Company requests the Department to take to correct the matter. Therefore, the Petition failed to comply with the requirements of OAR 836-043-0170(2) to raise identifiable issues with the Billing. For these reasons, the Department has no jurisdiction to adjudicate any issues involving the Billing. The dispute and Petition are dismissed as authorized by OAR 836-043-0170(8)(d).

ORDER

I propose the Department of Consumer & Business Services Division of Financial Regulation issue the following order:

The Petition and dispute of the Billing, filed on June 25, 2024, are dismissed. The Final Premium Audit Billing, issued on May 15, 2024, remains undisturbed.

Samantha A. Fair
Administrative Law Judge
Office of Administrative Hearings

EXCEPTIONS TO PROPOSED ORDER

Pursuant to ORS 183.460, the parties are entitled to file written exceptions to this Proposed Order and to present written argument concerning those exceptions to the Director. Written exceptions must be received by the **Division of Financial Regulation** within 30 days following the date of service of this Proposed Order. You may send exceptions via email to gail.m.gage@oregon.gov, or via mail to:

Gail M. Gage
Compliance Specialist 3
Division of Financial Regulation
PO Box 14480
Salem, OR 97309-0405

SERVICEMEMBERS' CIVIL RELIEF ACT

Unless otherwise stated in this order, the Office of Administrative Hearings (OAH) has no reason to believe that a party to this proceeding is subject to the Servicemembers' Civil Relief Act (SCRA). If a party to this proceeding is a servicemember who did not appear for the hearing, within the servicemember's period of service, or 90 days after their termination of service, that party should immediately contact the agency to address any rights they may have under the SCRA.

CERTIFICATE OF MAILING

On September 17, 2024, I mailed the foregoing PROPOSED ORDER BY DEFAULT issued on this date in OAH Case No. 2024-ABC-06614**.**

By: First Class Mail

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Hermiston OR 97838-7700

J Medelez, LLC
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Anesia N Valihov
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