

Summer 2021

Taking Action



Department of
Consumer and
Business Services



To protect consumers and promote a healthy business climate

Insurance

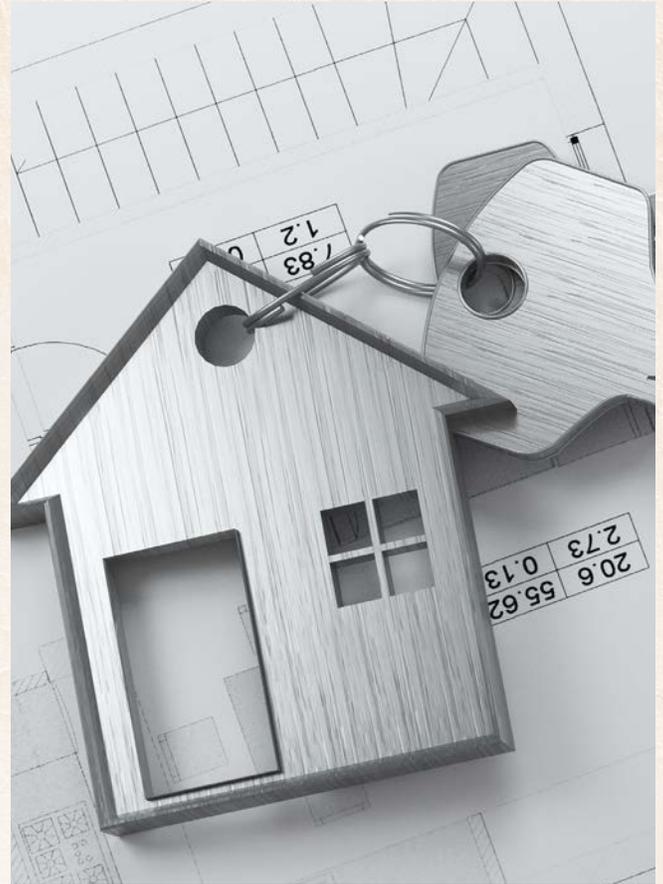


- **Liberty Mutual Group Inc., and Safeco Insurance Company of Oregon, [INS-20-0098](#)**
– The division issued a cease-and-desist order and assessed a \$160,000 civil penalty against Liberty Mutual Group Inc. and Safeco Insurance Company of Oregon for refusing to pay claims without conducting a reasonable investigation and engaging in acts injurious to the insurance-buying public. The division's investigation revealed that the companies' comparative negligence determinations in automobile claims were being modified at a high rate by independent arbitrators, indicating improper claims adjudication. In addition to the civil penalty, the order imposed third-party claims adjusting training, reporting, and auditing requirements on the companies.
- **Root Insurance Company, [INS-21-0031](#)** – The division issued a cease-and-desist order and fined Root Insurance Company \$70,000 for undervaluing and underpaying 27 automobile total-loss claims and failing to include certain notices in more than 670 total-loss claims. In addition to the fine, Root Insurance was required to make restitution to the 27 undervalued claimants.
- **Generali – U.S. Branch, dba The General Insurance Company of Trieste & Venice, [INS-20-0033](#)** – The division issued a cease-and-desist order and fined Generali – U.S. Branch \$20,000 for failing to timely send acknowledgements to 353 clients following receipt of travel insurance claims. Generali also failed to timely notify 270 claimants that it needed more time to determine whether to accept or deny their claims. As a result of the division's action, Generali conducted staff training and updated its internal procedures in order to comply with the claims notification requirements.
- **Foremost Insurance Company Grand Rapids, Michigan, [INS-21-0035](#)** – The division issued a cease-and-desist order and fined Foremost Insurance Company \$15,000 for violating the director's March 25, 2020, emergency order and May 24, 2020, property and casualty insurance order. The emergency order required that all insurers immediately suspend all cancellations and nonrenewals for all active insurance policies in the state until the emergency order was no longer in effect. The property and casualty order required that all property and casualty insurers in Oregon give policyholders a single grace period of 60 days to pay any premiums. Foremost Insurance Company canceled one policy in violation of the emergency order and 21 policies in violation of the property and casualty order.

- **Richard W. Peterson, INS-21-0017** – The division issued a cease-and-desist order against Richard W. Peterson, permanently barred him from acting as an insurance producer in Oregon, and accepted the voluntary surrender of Peterson’s insurance producer license for engaging in fraudulent and dishonest practices and making false statements on insurance applications. Peterson failed to send premium payments from the insured to the insurer and failed to collect earned premiums for canceled policies before issuing new policies to the insureds, resulting in significant losses to the insurer. In addition to the permanent bar, the division fined Peterson \$28,000 and required that he pay \$1,242 in restitution for the unsent premium payments.
- **Stephen R. Collup, INS-21-0002** – The division issued a cease-and-desist order and suspended the resident insurance producer license of Stephen R. Collup for 18 months, followed by a two-year probationary license. Collup failed to send workers’ compensation insurance premiums to a insurer over a four-year period, issued certificates of insurance from an insurance company that had been liquidated, and failed to fully cooperate with the division’s investigation. In addition to the license suspension, the division fined Collup \$7,000, ordered that he pay \$1,000 in restitution, and required that he complete additional ethics training and regular reporting to the division during the probationary period.
- **Kim K. Hoang, INS-21-0018** – The division issued a cease-and-desist order, revoked the resident insurance producer license of Kim K. Hoang, and fined her \$2,000 for making misrepresentations on her clients’ insurance applications. Hoang deliberately misrepresented the marital status of insurance applicants for purposes of securing lower premiums for her clients.
- **Dominic C. Gagliardi and Gagliardi Insurance Services, Inc., INS-21-0036** – The division issued a cease-and-desist order and revoked the nonresident insurance producer licenses of Dominic Gagliardi and Gagliardi Insurance Services, Inc. for failing to report the revocation of their Idaho insurance producer licenses. The division also fined Gagliardi and his company \$2,000.
- **Loretta A. Morris, INS-20-0091** – The division entered a cease-and-desist order and denied renewal of the nonresident insurance producer license of Loretta A. Morris for providing incorrect, misleading, incomplete, or materially untrue information in her original license application. Morris failed to disclose a misdemeanor criminal conviction. In addition to the license denial, the division fined Morris \$1,000.
- **Jennifer M. Garrett, INS-21-0008** – The division entered a cease-and-desist order and an order revoking and denying renewal of the nonresident insurance producer license of Jennifer M. Garrett for providing incorrect, misleading, incomplete, or materially untrue information in her original license application. Garrett failed to disclose a felony criminal conviction and an administrative action and failed to respond to an inquiry from the division. In addition to the revocation and license denial, the division fined Garrett \$1,000.
- **Jeffrey W. Geiger, INS-16-0256** – The division issued a cease-and-desist order, revoked the insurance producer license of Jeffrey W. Geiger, fined him \$60,000, required him to pay \$32,500 toward victim restitution to investors, permanently barred him from financial services businesses regulated by the division, and denied him the use of securities exemptions. Geiger helped raise funds totaling \$65,000 from five Oregon investors, purportedly to be used for a retail development project in Eugene, Oregon, called 99 Crossings. Geiger failed to adequately disclose to investors the risks of the investments and the actual use of investor funds. The notes, which were not registered with the division, went into default, and the development never got off the ground. Geiger also submitted 64 invalid supplemental insurance policy applications to an insurer for

Securities and mortgage

- **Donald Joseph Hefflinger, M-15-0002** – The division issued a cease-and-desist order, revoked the mortgage loan originator license of Donald Hefflinger, and fined him \$25,000 for mortgage fraud and unlicensed activity, among other violations. Hefflinger made false statements to a consumer about her loan and filed two false license applications, four false complaints, and three false medical notes with the division. He also took loan applications and negotiated transaction terms for four consumers without a mortgage loan originator license. After a hearing, an administrative law judge found in favor of the division on all counts.
- **William E. Tufts, S-21-0010** – The division issued a cease-and-desist order and fined William Tufts \$10,000 for failing to make and keep proper books and records in accordance with the division's rules and his firm's policies and procedures. Tufts agreed to reimburse a client more than \$3,000 for fees associated with the surrender of an annuity that Tufts was not able to establish he had disclosed to the client.



Nondepository programs

- **United Advisors Group, LLC., Student Loan Managers, DM-21-0001** – The division issued a cease-and-desist order and fined United Advisors Group and Student Loan Managers \$57,000 for performing unregistered debt management services and charging excessive fees. United Advisors and Student Loan Managers purport to be student loan document preparation companies, helping borrowers prepare applications to the U.S. Department of Education for student loan repayment, consolidation, and forgiveness. The division previously took action against United Advisors Group for similar registration violations (see [DM-19-0022](#)).
 - **Students Loan Services LLC, DM-19-0129** – The division issued a cease-and-desist order and fined Students Loan Services \$40,000 for performing unregistered debt management services in Oregon and charging excessive fees. Students Loan Services purports to be a student loan document preparation company, helping borrowers prepare applications to the U.S. Department of Education for student loan repayment, consolidation, and forgiveness.
 - **The Oliver Law Group, PA, DM-21-0011** – The division issued a cease-and-desist order and fined the Oliver Law Group, PA \$10,000 for performing unregistered debt management services in Oregon and failing to maintain required business records. The Oliver Law Group is a law firm based in Florida that purported to provide legal services to Oregon consumers on behalf of debt management service provider companies
- Consumer Capital Advocates and Complete Legal Plan, which are also not registered with the division to provide debt management services in Oregon.
- **Credit2USA, CF-20-0096** – The division entered a cease-and-desist order and fined Credit2USA \$10,000 for operating a fraudulent online consumer finance lending business, falsely advertising that it was licensed to conduct business in Oregon, and fabricating a license to support its false advertisements. In addition, Credit2USA appears to be using its online scam to harvest confidential financial information from consumers.

