

Summer-Fall 2024

Taking Action



To protect consumers and promote a healthy business climate

Taking Action is a quarterly publication of the Oregon Division of Financial Regulation (DFR) and includes summaries of the final orders issued by the division. Below are orders issued from the last two quarters of 2024.

Insurance



status letters and requires the company to report claim-related data to DFR under periodic audits over the next two years.

- **GEICO Casualty Company, [INS-23-0063](#)** – DFR issued a cease-and-desist order and fined GEICO Casualty Company and seven of its GEICO affiliates (GEICO group) \$672,200 for failing to pay all of the applicable taxes, license fees, and other fees incident to the transfer of ownership in 5,821 total loss claims, and for failing to provide the required Oregon total loss notice at the time of settlement in 901 claims. During the course of DFR’s investigation, the GEICO group made full restitution to those consumers, with interest.
- **American Bankers Insurance Company of Florida, [INS-24-0047](#)** – DFR issued a cease-and-desist order and fined American Bankers \$150,000 for failing to provide timely responses to claim-related communications, failing to document claim-related communications, failing to timely inform claimants of claim determinations, failing to provide members with timely claim-related notifications, and denying a claim without conducting a reasonable investigation. The order requires American Bankers to provide written notice of applicable statutes of limitations in all claim-
- **Brian Catchings, [INS-24-0037](#)** – DFR issued a cease-and-desist order and revoked the resident insurance producer license of Brian Catchings, a Medford-based insurance producer for Aflac. DFR identified 284 fraudulent applications prepared and submitted by Catchings. Some of these applications were in the names of fictional people, while others were in the names of people who did not authorize Catchings to submit applications on their behalf (including one person who had been deceased for several years at the time Catchings submitted an application on her behalf). In addition to the cease-and-desist order and license revocation, DFR fined Catchings \$61,000 in civil penalties, plus an additional \$25,691.33 in disgorged commissions, for a total fine of \$86,591.33.
- **Christian Capuano, [INS-24-0002](#)** – DFR issued a cease-and-desist order and revoked the nonresident insurance producer license of Christian Capuano. Capuano used fraudulent, coercive, or dishonest practices and demonstrated incompetence, untrustworthiness or financial irresponsibility; intentionally misrepresented the terms of an application for insurance; and committed an unfair trade practice or fraud. Capuano falsely claimed he had met with three insurance applicants in person in Oregon. He then later admitted this did not happen and that he had forged their signatures on the insurance applications by using digital signatures without their knowledge or consent, and filed applications that failed to accurately disclose the health histories of the applicants. In addition to the cease-and-desist order and license revocation, the division fined Capuano \$4,000.

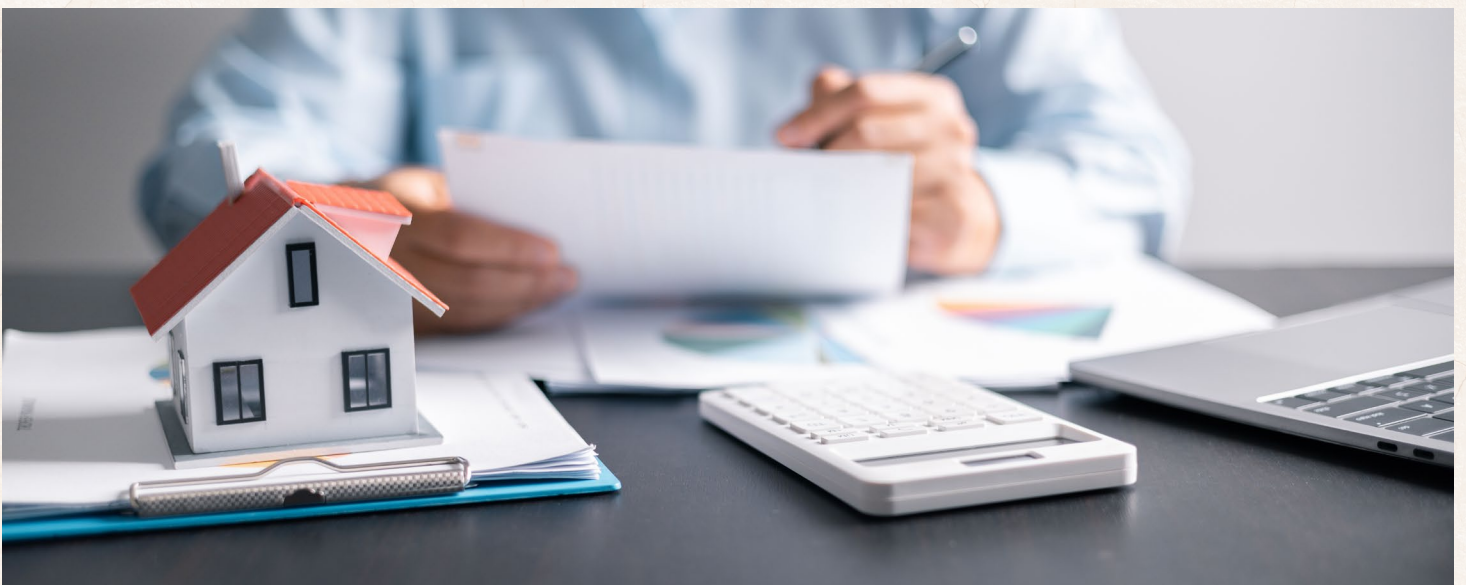
- **Carylann Hendrix**, [INS-24-0059](#) – DFR issued a cease-and-desist order and revoked the nonresident insurance producer license of Carylann Hendrix for engaging in incompetent and untrustworthy conduct, and using coercive and dishonest practices in connection with insurance product sales and applications. Hendrix bundled insurance products without sufficiently describing them, sold them without sufficient regard for her clients' needs and requests, and made false statement and representations in connection with sales. In addition to the cease-and-desist order and license revocation, DFR fined Hendrix \$5,000.
- **Jorge Padilla Lazos and Karen Padilla Solano**, [INS-24-0005](#) – DFR issued a cease-and-desist order and suspended the resident insurance producer licenses of Jorge Padilla Lazos and Karen Padilla Solano for three years. Padilla Lazos and Padilla Solano consistently failed to confirm clients' Social Security numbers, despite a requirement from the insurance company that they do so before issuing policies. Padilla Lazos and Padilla Solano benefited from higher commissions as a result of the sales through that particular insurance company, as opposed to using other companies that do not require a valid Social Security number to issue a policy. In addition to the license suspensions, DFR fined Padilla Lazos and Padilla Solano each \$3,000.
- **Christian Espinoza**, [INS-24-0006](#) – DFR issued a cease-and-desist order and fined resident insurance producer Christian Espinoza \$3,000 for demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Oregon. Espinoza repeatedly failed to confirm the legitimacy of the Social Security numbers of his clients despite knowing that the insurance company involved in those sales required valid Social Security numbers for all of its insureds. He also failed to attach an inexperienced driver surcharge to many of his clients' policies that qualified. In addition to the fine, the order imposes a two-year suspension of Espinoza's insurance producer license.
- **Evangeline Cataga Salvador**, [INS-24-0036](#) – DFR issued a cease-and-desist order against Evangeline C. Salvador for impersonating an insured in attempt to obtain the insured's Social Security number and a partial surrender of the proceeds of their life insurance policy. The order also allowed Salvador to voluntarily surrender her resident insurance producer license instead of a revocation and included an agreement that Salvador won't reapply for a license in Oregon.
- **Devin Barnes**, [INS-23-0032](#) – DFR issued a cease-and-desist order and fined Devin Barnes \$8,000 for engaging in fraud in the insurance business and unlicensed insurance activity. Barnes, who was not licensed to transact insurance in Oregon but was working for the Oregon-licensed Protegrity LLC, was entering false information on insurance applications to obtain better rates for his clients. DFR also took administrative action against Protegrity and its owner, Ryan Lorsch, and issued [this cease-and-desist order](#).
- **Frank A. Epstein**, [INS-24-0040](#) – DFR issued a cease-and-desist order and revoked the nonresident insurance producer license of Frank A. Epstein following the revocation of his insurance producer license in another state and for submitting insurance applications of two Oregon consumers without those consumers' consent or knowledge.
- **Lori Chapin**, [INS-24-0027](#) – DFR issued a cease-and-desist order and allowed Lori Chapin to voluntarily surrender her resident insurance producer license. On her 2019 license application, Chapin failed to disclose a felony conviction from 1989 relating to a crime involving dishonesty, which stemmed from her having wrongfully obtained \$1,500 in public assistance. Chapin also failed to disclose the conviction on her 2021 and 2023 renewal applications.
- **Kaylin M. Lechner**, [INS-24-0022](#) – DFR issued a cease-and-desist order and fined Kaylin Lechner \$1,500 for soliciting insurance without a license and failing to notify DFR of several changes to her business address.



- **Covenant Administrators LLC, [INS-24-0008](#)** – DFR issued a cease-and-desist order and fined Covenant Administrators \$4,500 for failing to timely file the 2022 and 2023 annual reports required of licensed third-party administrators. DFR had previously issued an order against the company for similar violations in 2021 ([INS-22-0067](#)).
- **Pacific Group Agencies Inc., [INS-24-0067](#)** – DFR issued a cease-and-desist order against Pacific Group Agencies Inc. for failing to timely file the 2023 annual report required of licensed third-party administrators. DFR previously issued an order against the company for similar violations in 2022 ([INS-22-0081](#)). DFR reinstated the \$1,000 fine it had suspended under that order, and assessed an additional \$2,000 fine for the new violation, for a total fine amount of \$3,000.
- **ACS Benefit Services LLC, [INS-24-0076](#)** – DFR issued a cease-and-desist order and fined ACS Benefit Services LLC \$2,000 for failing to timely file the 2022 and 2023 annual reports required of licensed third-party administrators.
- **Express Scripts Administrators LLC, [INS-24-0009](#)** – DFR issued a cease-and-desist order and fined Express Scripts Administrators LLC \$2,000 for failing to timely file the 2022 and 2023 annual reports required of licensed third-party administrators.
- **Shasta Administrative Svcs Inc., [INS-24-0070](#)** – DFR issued a cease-and-desist order, revoked the third-party administrator license, and fined Shasta Administrative Svcs Inc. \$1,000 for failing to timely file the 2023 annual report required of licensed third-party administrators.
- **USA Medical Services Corporation, [INS-24-0069](#)** – DFR issued a cease-and-desist order and fined USA Medical Services Corporation \$1,000 for failing to timely file the 2023 annual report required of licensed third-party administrators.

Mortgage

- **Colt Mortgage Inc., M-23-0066** – DFR issued a cease-and-desist order and revoked the mortgage banker/broker license of Colt Mortgage Inc. DFR previously issued an order against the company in 2022 for various filing and compliance-related violations discovered during a prior examination, which resulted in Colt Mortgage being put on a conditional license (M-21-0068). The company violated several of the conditions on its license by making incomplete and untimely filings and failing to make proper disclosures. In addition to the cease-and-desist order and license revocation, DFR fined Colt Mortgage \$10,000 and reinstated the \$8,000 fine it had suspended against the company as part of the 2022 order, for a total amount of \$18,000.
- **Reon Conventional LLC and Reon Maxwell, M-24-0033** – DFR issued a cease-and-desist order and fined Reon Conventional LLC and Reon Maxwell, jointly and severally, \$15,000 for violations of the Oregon mortgage loan servicers law. Reon Maxwell, and their alter ego, Reon Conventional LLC, attempted to fraudulently obtain funds from the Homeowners Assistance Fund (HAF) by posing as a mortgage servicer, without a mortgage servicer license, and knowingly making untrue statements on a HAF application.
- **Jerry Martinez, M-24-0020** – DFR issued a cease-and-desist order and denied the mortgage loan originator license application of Jerry Martinez for failure to demonstrate adequate financial responsibility, engaging in unfair practices, and failure to submit an accurate and complete application. DFR had previously warned Martinez about misleading marketing, yet he continued to advertise loan origination services when he was not licensed to do so. Additionally, Martinez was improperly requiring clients to deposit a “retainer” in mortgage transactions he was handling,
- **Todd Joseph Krejci, M-24-0064** – DFR issued an order granting a conditional mortgage loan originator license to Todd Joseph Krejci as the result of his prior sanctioning by the National Futures Association and prior denial of a mortgage loan originator license by the State of California. The conditional license requires that Krejci make disclosures concerning the conditional license to his current and future employers; places restrictions upon Krejci’s ability to serve as a control person, manager, or trainer without prior written approval from DFR; and requires that his current and future employers provide DFR with a brief description of a supervision plan for Krejci. These conditions will remain in place for a minimum of five years.



Non-depository programs

- **Entrata Inc., MT-24-0001** – DFR issued a cease-and-desist order against Entrata for engaging in a money transmission business without a license. Entrata operates a software platform called ResidentPay, which is used by landlords to facilitate rent payments through ACH transfers. Despite knowing in 2019 that operating the platform required licensure in Oregon, Entrata operated the platform without a money transmitter license between 2019 and 2024, serving almost one million Oregon consumers, and charging approximately \$275,000 in fees. In addition to the cease-and-desist order, DFR fined Entrata \$376,800 and required it to issue refunds to Oregon consumers that were charged more than \$100 in fees.
- **Payward Ventures Inc., dba Kraken, MT-24-0052** – DFR issued a cease-and-desist order against Payward Ventures Inc. for engaging in a money transmission business during 2023 and 2024 without a money transmitter license. In addition to the cease-and-desist order, DFR fined Payward \$100,000 and required it to refund the almost 8,000 clients in Oregon the fees they were charged while the company was unlicensed.
- **Plutus Financial Inc., Abra Trading LLC, Plutus Financial Holdings Inc., Plutus Lending LLC, and William John Barhydt, MT-24-0043** – DFR participated in a multistate investigation into unlicensed money transmission activity by cryptocurrency exchange Plutus Financial Inc., doing business as Abra. The investigation revealed that Abra engaged in unlicensed money transmitter activity in Oregon between March 2021 and June 2023. DFR issued an order that requires Abra and its affiliates to cease and desist from engaging in money transmission in Oregon without a license, bars Abra’s owner and CEO William John Barhydt from being involved with an Oregon-licensed money transmitter for five years, and requires the return of all Oregon customer assets within 30 days from the date of the order.
- **Alum Financial LLC, DM-24-0004** – DFR issued a cease-and-desist order and fined Alum Financial LLC \$94,000 for performing unregistered debt management services in Oregon, failing to provide the required disclosures, and charging excessive fees. Alum Financial, a purported student loan document preparation company, offered its services to 94 Oregon consumers between 2020 and 2022, and charged 69 of those consumers \$69,632.64 in fees.
- **Ocean Park Financial, DM-24-0035** – DFR issued a cease-and-desist order and fined Ocean Park Financial \$10,000 for performing unregistered debt management services to one consumer in Oregon and failing to maintain a surety bond. The company also failed to respond to numerous requests for information from DFR. Ocean Park Financial offered financial services to consumers, which included mortgage, credit, insurance, and foreclosure solutions.
- **Eugia US LLC, fka AuroMedics Pharma LLC, DPT-23-0028** – DFR issued a cease-and-desist order and fined Eugia US LLC \$210,100 for failing to comply with Oregon’s Prescription Drug Price Transparency Act. Eugia, as a registered pharmaceuticals manufacturer in Oregon, is required to report certain information to DFR relating to the pharmaceuticals it makes available for sale in Oregon. The Prescription Drug Price Transparency Act authorizes DFR to request information from pharmaceuticals manufacturers and sets deadlines for manufacturers to respond. Eugia failed to timely respond to information requests from DFR relating to 14 drugs manufactured and marketed by Eugia.

Securities

- **Gold Corporation dba The Perth Mint, S-24-0039** – DFR issued a cease-and-desist order and fined The Perth Mint \$10,000 for violations of the Oregon Commodity Code in connection with the offer and sale of commodities contracts to Oregonians between 2018 and 2022. The Perth Mint is a Western Australian corporation that provides various precious metals supply chain services. DFR's order stems from a multistate investigation coordinated by the North American Securities Administrators Association. As a result of the multistate investigation and related regulatory actions, The Perth Mint became a member of a contract market designated by the Commodities Future Trading Commission and may now lawfully offer and sell commodities contracts in Oregon.
- **Edward D. Jones & Co. LP, S-23-0046** – DFR issued an order fining Edward Jones more than \$320,000 for violations of the Oregon Securities Law. Edward Jones converted certain commission-based broker-dealer accounts into fee-based advisory accounts, which resulted in increased fees to some consumers that were not supported by their investment objectives. DFR's order stems from a multistate investigation coordinated by the North American Securities Administrators Association, which resulted in an administrative fine of more than \$17 million. The division issued a press release regarding this matter, which can be found [here](#).
- **Plutus Financial Holdings Inc., S-24-0030** – DFR participated in a multistate settlement-and-consent order with cryptocurrency asset platform Abra Trading LLC and its affiliated companies Plutus Financial Inc., Plutus Financial Holdings Inc., and Plutus Lending LLC, as well as the majority owner of such companies, William John Barhydt, for violating state securities regulations by offering and selling unregistered interest-bearing cryptocurrency depository products, known as Abra Boost and Abra Earn, on

its cryptocurrency platform. As part of the consent order, Abra agreed to cease and desist from offering or selling unregistered securities in Oregon, to return all assets owned by Oregon consumers, and to pay an administrative penalty of \$250,000 if they fail to do so.

- **Joshua E. Stroud and Reign Wealth Logic, LLC, S-24-0007** – DFR issued a cease-and-desist order and fined Joshua E. Stroud \$20,000 for breach of fiduciary duty and engaging in an unethical business practice. Stroud borrowed \$30,000 from a client in 2018, though he eventually repaid the client. DFR also fined Stroud's state investment adviser firm, Reign Wealth Logic, \$12,000 for failure to supervise. In addition to the fines, DFR suspended Stroud's investment adviser representative license and Reign Wealth Logic's state investment adviser license for 30 days.

