

**STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
JOHN O. PASTORE COMPLEX, BLDG 68-69
1511 PONTIAC AVENUE
CRANSTON, R.I. 02920**

IN THE MATTER OF:

Ellis B. Cooper,

Respondent.

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**DBR No.: 20-IN-002
NPN No.: 18044952**

FINAL ORDER REVOKING LICENSE

I. INTRODUCTION

The above-entitled matter came for a prehearing conference on July 29, 2020 pursuant to an Order to Show Cause Why Order Should not Issue to Revoke Insurance Producer License, Notice of Hearing Conference, and Appointment of Hearing Officer (“Order to Show Cause”) issued on July 2, 2020 to Ellis B. Cooper (“Respondent”) by the Department of Business Regulation (“Department”). Pursuant to R.I. Gen. Laws § 27-2.4-1 *et seq.*, the Respondent holds an insurance producer license (“License”). The Respondent did not appear at hearing. Pursuant to § 2.9 of the 230-RICR-100-00-2 *Rules of Procedure for Administrative Hearing* (“Rules”), service may be made by hand-delivery or first-class mail and service is complete upon mailing when sent to the last known address of the party. In this matter, the Order to Show Cause was sent to the Respondent’s last known address by first class and certified mail.¹ Since the Respondent was adequately noticed of hearing,

¹ Rachel Chester, Chief of Consumer and Licensing Services, testified on behalf of the Department. She testified that the Order to Show Cause was forwarded to the Respondent’s last known address on record with the Department and to his home address. She testified that the Order to Show Cause was sent by first class mail and certified mail to both addresses and none were returned to the Department. She testified that the both certified mail notices were delivered. Department’s Exhibit One (1) (United States Post Office tracking sheet showing certified mail was delivered to both addresses for Respondent).

a hearing was held before the undersigned on July 29, 2020.² Additionally, § 2.21 of the Rules provides that a default judgment may be entered based on pleadings and/or evidence submitted at hearing by a non-defaulting party. The Department was represented by counsel who rested on the record.

II. JURISDICTION

The administrative hearing was held pursuant to R.I. Gen. Laws § 42-14-1 *et seq.*, R.I. Gen. Laws § 27-2.4-1 *et seq.*, R.I. Gen. Laws § 42-35-1 *et seq.*, and the Rules.

III. ISSUE

Whether the Respondent's License should be revoked pursuant to R.I. Gen. Laws § 27-2.4-14(a)(2) and (8) and R.I. Gen. Laws § 42-14-16(a)(1).

IV. MATERIAL FACTS

At hearing, the Department relied on the Order to Show Cause that detailed as follows: 1) the Respondent worked at an insurance company and unbeknownst to three (3) friends and co-workers, he wrote up insurance applications for them in order to receive an increased insurance commission; 2) he repaid those three (3) named insureds for their initial premiums; 3) his employer terminated him and notified the Department; and 4) on May 21, 2020, the Department sent a request to the Respondent for an explanation of said incident and did not receive a reply within 15 business days or by the time the Order to Show Cause was issued.

V. RELEVANT STATUTES AND REGULATIONS

R.I. Gen. Laws § 27-8-7 prohibits an insurance producer from paying the named insured "as an inducement to the insurance." R.I. Gen. Laws § 27-29-4(8)(i) prohibits "any

² Due to the Covid19 pandemic, the hearing was held by telephone.

rebate of premiums payable on the policy.” Section 2.4 of the Rules requires that if contacted by the Department, a licensee shall file a response within 15 business days or such time frame as specified by the Department.

R.I. Gen. Laws § 27-2.4-14(a)(2) and (8) provides as follows:

Licenses – Denial – Nonrenewal – Suspension or revocation.
(a) The insurance commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy an administrative penalty in accordance with § 42-14-16 or any combination of actions, for any one or more of the following causes:

(2) Violating any insurance laws, or violating any regulation, subpoena or order of the insurance commissioner or of another state's insurance commissioner;

(8) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in this state or in another place.

R.I. Gen. Laws § 42-14-16(a)(1) provides as follows:

Administrative penalties. (a) Whenever the director, or his or her designee, shall have cause to believe that a violation of title 27 and/or chapter 14, 14.5, 62, or 128.1 of title 42 or the regulations promulgated thereunder has occurred by a licensee, or any person or entity conducting any activities requiring licensure under title 27, the director or his or her designee may, in accordance with the requirements of the administrative procedures act, chapter 35 of this title:

(1) Revoke or suspend a license;

VI. DISCUSSION

Based on the foregoing, the undersigned makes the following findings of fact:

1. Pursuant to Section 2.21 of the Rules, the Respondent is declared to be in default for failing to appear at the hearing.
2. Pursuant to Section 2.21 of the Rules, the allegations in the Order to Show Cause are found to be true.

Based on the foregoing, the undersigned makes the following conclusions of law:

1. The Respondent violated R.I. Gen. Laws § 27-8-7 (by paying a name insured as an inducement to the insurance); R.I. Gen. Laws § 27-29-4(8)(i) (rebate of premium); and Section 2.4 of the Rules (failed to respond within 15 business days to Department).
2. There are grounds to revoke the Respondent's License pursuant to R.I. Gen. Laws § 27-2.4-14(a)(2) and (8) (violation of insurance laws and dishonest and untrustworthy acts) and R.I. Gen. Laws § 42-14-16(a)(1) (violations of insurance laws).
3. The Respondent's License should be revoked pursuant to R.I. Gen. Laws § 27-2.4-14(a)(2) and (8) and R.I. Gen. Laws § 42-14-16(a)(1).

On the basis of the foregoing, the undersigned makes the following recommendation:

1. The Respondent's License is revoked.

Dated: August 12, 2020

/s/ Catherine R. Warren

Catherine R. Warren
Hearing Officer

I have read the Hearing Officer's recommendation in this matter and I hereby ADOPT REJECT the findings of facts, the conclusions of law, and recommendation of the hearing officer in the above entitled Final Order.

Dated: 08-12-2020

Elizabeth M. Tanner

Elizabeth M. Tanner, Esquire
Director

Dated: 12/02/2020

** Note that this page is being re-executed to make clear the Director's decision on 8-12-2020 was to ADOPT the Hearing Officer's Recommendation.

Elizabeth M. Tanner

Elizabeth M. Tanner, Esquire
Director

NOTICE OF APPELLATE RIGHTS

THIS ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.

CERTIFICATION

I hereby certify that on this 19th day of August, 2020, that a copy of the within Order was sent by first class mail, postage prepaid and by certified mail, return receipt requested to Mr. Ellis B. Cooper, 255 Avenue A, Woonsocket, R.I. 02895-6220 and Amica Mutual Insurance Company, Attn: Ellis B. Cooper, 100 Amica Way, Lincoln, R.I. 02865-1156 and by electronic delivery to Matthew Gendron, Esquire, and Rachel Chester, Chief, Department of Business Regulation, Pastore Complex, 1511 Pontiac Avenue. Cranston, R.I.

A handwritten signature in black ink, appearing to be 'M. Gendron', is written over a horizontal line.