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**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
AND INSURANCE DIVISION**

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF
CONSUMER AND BUSINESS SERVICES**

In the Matter of:

ID-09-0027

**ROBERT WARREN SPRUILL,
dba Brooke Auto Insurance
Services and dba Brooke Agency
Services Company, LLC,**

**ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL
PENALTY AND CONSENT TO
ENTRY OF ORDER**

Respondent.

WHEREAS the Director of the Oregon Department of Consumer and Business Services has conducted an investigation of certain business activities conducted by Robert Warren Spruill, dba Brooke Auto Insurance, and dba Brooke Agency Services Company, LLC ("Spruill"), and has determined that he has violated provisions of the Oregon Consumer Identity Theft Protection Act, Oregon Revised Statutes ("ORS") 646A.600 to 646A.628, and provisions of the Oregon Insurance Code, ORS Chapters 731 and 746; and

WHEREAS Spruill wishes to resolve and settle this matter with the Director; and

WHEREAS Spruill waives all rights relative to an administrative hearing and judicial review thereof;

NOW THEREFORE, as evidenced by the authorized signature(s) subscribed on this Order, Robert Warrant Spruill hereby CONSENTS to entry of this Order to Cease and Desist upon the Director's Findings of Fact and Conclusions of Law as

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 stated hereinafter.

2 FINDINGS OF FACT

3 The Director **FINDS** that:

4 1. Robert Warren Spruill, a resident of the State of Washington, is an
5 insurance producer licensed to conduct insurance business in the State of Oregon
6 (License # 145167). Spruill is authorized to sell health, property, casualty and life
7 insurance products in Oregon. He does business under a number of assumed
8 business names, including Brooke Auto Insurance Services and Brooke Agency
9 Services Company, LLC (hereinafter "Brooke Auto"). Brooke Auto has offices located
10 at 1513 NE 181st Avenue, Portland, Oregon 97230.

11 2. The Oregon Consumer Identity Theft Protection Act requires persons
12 who own, maintain or otherwise possess data that includes a consumer's personal
13 information that is used in the course of the person's business, vocation, occupation
14 or volunteer activities to develop, implement and maintain reasonable safeguards to
15 protect the security, confidentiality and integrity of the personal information,
16 including disposal of the data.

17 3. A person that is subject to and complies with regulations promulgated
18 pursuant to Title V of the Financial Services Modernization Act of 1999, otherwise
19 known as the Gramm-Leach-Bliley Act, 15 USC § 6801, *et seq.*, is deemed to be in
20 compliance with provisions of the Oregon Consumer Identity Theft Protection Act.

21 4. The Gramm-Leach-Bliley Act requires the primary regulator of financial
22 services providers, which for insurance producers would be the Oregon Insurance
23 Division, to establish appropriate standards to respect the privacy of insurance
24 customers and to protect the security and confidentiality of those customers'
25 nonpublic information. In furtherance of this federal requirement, the Director,
26 pursuant to the Oregon Insurance Code, ORS Chapter 731, *et seq.*, has adopted OAR



1 836-081-0111(1), which requires insurance producers to implement and thereby
2 implicitly develop, implement and maintain a comprehensive written information
3 security program. The program must include administrative, technical and physical
4 safeguards for the protection of customer information. The administrative, technical
5 and physical safeguards included in the information security program are required to
6 be appropriate to the size and complexity of the licensee and the nature and scope of
7 its activities.

8 5. Members of the public seeking to purchase an insurance product from
9 Brooke Auto or Brooke Corporation were required to submit an application. To
10 complete the application, Brooke Auto and Brooke Corporation solicited and
11 obtained such information as the customer's name, residential address, Social
12 Security number, bank account number, driver license number, vehicle license
13 number, credit card number and card expiration date.

14 6. On or before April 28, 2009, Spruill discarded over 1,000 insurance
15 business records and/or other documents related to insurance transactions of Brooke
16 Auto and Brooke Corporation into an unlocked garbage dumpster behind the NE 181st
17 Avenue offices of Brooke Auto. Approximately 50 of the discarded documents bore a
18 customer name, address and full unredacted Social Security number. Approximately
19 66 other discarded documents bore a customer's name and unredacted driver license
20 data, including license number. Approximately 900 more of the discarded
21 documents were merchant copies of customer credit card receipts which bore the
22 name and signature of the customer along with the full unredacted credit card
23 number and the card expiration date. Spruill failed to shred or otherwise make the
24 documents unreadable. The dumpster into which the documents were placed was
25 not locked and was accessible to the public.

26 7. On or about April 28, 2009, an employee of a business located nearby the



1 required to be authorized, or licensed or required to be licensed, pursuant to the
2 Insurance Code.

3 12. Spruill discarded over 1,000 insurance business records containing or
4 bearing "personal information" as defined in ORS 646A.602(11) in that the
5 documents contained business client names associated with unredacted Social
6 Security numbers, driver license numbers, bank account numbers, and/or credit card
7 numbers with card expiration dates.

8 13. Spruill failed to develop a comprehensive written information security
9 plan with reasonable safeguards to protect the security, confidentiality and integrity
10 of the personal information he collected or acquired in his insurance business in
11 violation of ORS 646A.622(1) and OAR 836-081-0111(1).

12 14. By discarding over 1,000 insurance business records containing or
13 bearing "personal information" into an unlocked trash container open to the public,
14 Spruill failed to implement or maintain reasonable safeguards to protect the security,
15 confidentiality and integrity of the personal information he collected or acquired in
16 the course of conducting his business, including disposal of the data, as required by
17 ORS 646A.622(1).

18 15. By discarding over 1,000 insurance business records and other
19 documents related to insurance transactions into an unlocked trash container open to
20 the public, Spruill failed to implement a comprehensive written information security
21 program that includes administrative, technical and physical safeguards for the
22 protection of customer information as required by OAR 836-081-0111(1).

23 16. Pursuant to ORS 646A.624(4)(a), a person who violates or who procures,
24 aids or abets in the violation of the Oregon Consumer Identity Theft Protection Act
25 may be subject to a civil penalty of not more than \$1,000 for every violation.

26 17. Pursuant to ORS 731.988(1), an individual insurance producer, adjuster



1 or insurance consultant who violates any provision of the Insurance Code, including
2 any lawful rule adopted by the Director, may be subject to a civil penalty of not more
3 than \$1,000 for each offense.

4 **ORDER**

5 **THE DIRECTOR ISSUES THE FOLLOWING ORDERS:**

6 **Cease and Desist Orders**

7 18. Pursuant to ORS 646A.624(3), Robert Warren Spruill is **ORDERED** to
8 **CEASE AND DESIST** from violating the requirements of the Oregon Consumer
9 Identity Theft Protection Act requiring him to develop, implement and maintain
10 reasonable safeguards to protect the security, confidentiality and integrity of personal
11 information, including disposal of the data.

12 19. Pursuant to ORS 731.252(1), Robert Warren Spruill is **ORDERED** to
13 **CEASE AND DESIST** from violating the requirements of the Oregon Insurance
14 Code and standards adopted pursuant to the Gramm-Leach-Bliley Act that require
15 him to adopt and implement a comprehensive written information security program
16 that includes administrative, technical and physical safeguards for the protection of
17 customer information.

18 **Destruction of Other Business Records**

19 20. In the event that he has in his possession a collection of business
20 documents to be discarded that contain personal information, including but not
21 limited to records relating to clients, prospective clients, employees or former
22 employees, and the documents to be discarded number more than 2,500 pieces of
23 paper, Robert Warren Spruill agrees to employ a commercial document shredding
24 service to destroy such documents.

25 **Order Assessing Civil Penalty**

26 21. Pursuant to the authority of ORS 646A.624(4) and ORS 731.988, the





1 Director assesses Robert Warren Spruill a total **CIVIL PENALTY** of \$11,000 (eleven
2 thousand dollars) as detailed below:

3 a. Pursuant to ORS 646A.624(4) and ORS 731.988, the Director assesses
4 Robert Warren Spruill a **CIVIL PENALTY** of \$1,000 (one thousand dollars) for
5 failure to develop a comprehensive written information security plan with reasonable
6 safeguards to protect the security, confidentiality and integrity of the personal
7 information he collected or acquired in the course of conducting his business,
8 including disposal of the data, as required by ORS 646A.622(1) and OAR 836-081-
9 0111(1).

10 b. Pursuant to ORS 646A.624(4) and 731.988, the Director assesses
11 Robert Warren Spruill a **CIVIL PENALTY** of \$10,000 (ten thousand dollars) for
12 discarding over 1,000 insurance business documents in violation of ORS 646A.622(1)
13 and OAR 836-081-0111(1).

14 c. Collection of \$8,500 (eight thousand five hundred dollars) of the
15 assessed **CIVIL PENALTY** is suspended by the Director so long as Respondent
16 Robert W. Spruill is in full compliance with the terms and conditions of this Consent
17 Order; **PROVIDED HOWEVER**, that any unpaid portion of the assessed penalty,
18 including the suspended portion of the penalty, will be immediately due and payable
19 upon a determination by the Director that Respondent Robert W. Spruill has violated
20 any term of this Order, or any provision of the Consumer Identity Theft Protection
21 Act, ORS Chapter 646A, or OAR Chapter 836, Division 081.

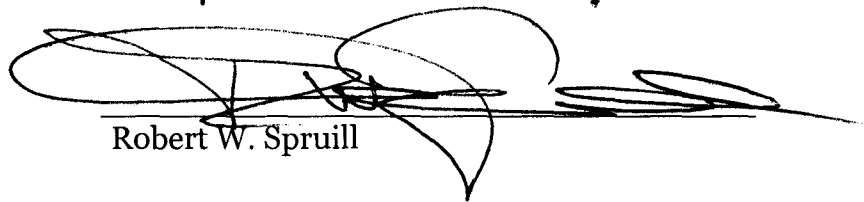
22 22. The unsuspended portion of the assessed **CIVIL PENALTY** in the
23 amount of \$2,500 (two thousand five hundred dollars) must be remitted to the
24 Department of Consumer and Business Services according to the payment schedule
25 outlined below. Failure to timely pay the **CIVIL PENALTY** is a violation of this
26 Order.

1 **CONSENT TO ENTRY OF ORDER**

2 I, Robert W. Spruill, state a resident of the State of Washington; that I have
3 read the foregoing Order and that I know and fully understand the contents thereof;
4 that I execute this consent as a settlement of the matter referred to in the Order; that
5 I do so voluntarily without force or duress; that I have voluntarily elected not to be
6 represented by counsel in this matter; that I expressly waive any right to a hearing in
7 this matter; that I understand that the Director reserves the right to take further
8 action against me to enforce this Order or to take appropriate action upon discovery
9 of other violations of the Oregon Consumer Identity Theft Protection Act or the
10 Oregon Insurance Code; and that I will fully comply with the terms and conditions
11 stated herein.

12 I understand that this Order is a public document.

13 Dated this 1st day of Sept., 2009.

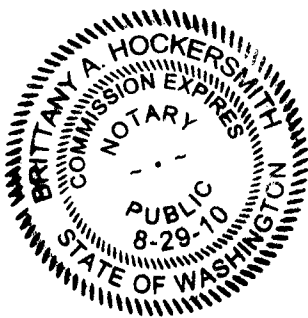
14 
15 _____
16 Robert W. Spruill

17
18 SUBSCRIBED AND SWORN to before me this 01st day of September, 2009.

19
20 
21 _____
22 Signature of Notary Public

23 Notary Public for the State of: Washington

24 My commission expires: 08/29/10



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