

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of Financial and Insurance Services

In the matter of:

**James Edward Parks
License No.**

Enforcement Case No. 04-2962

and

**J E Parks, Inc.
License No.**

Respondents

*Issued and entered
On December 15, 2004
by Linda A. Watters
Commissioner*

CONSENT ORDER AND STIPULATION

A. Findings of fact and conclusions of law

1. At all pertinent times, James Edward Parks was a licensed resident insurance producer, transacting business in the State of Michigan. At all pertinent times, J E Parks, Inc. was a licensed residence insurance agency owned and operated by James Edward Parks. Mr. Parks and the agency are collectively referred to as "Respondents."
2. As licensees, Respondents knew or had reason to know that Section 1207(1) of the Michigan Insurance Code (Code) requires an agent to be a fiduciary for all monies collected in his capacity as an agent.
3. Respondents further knew or had reason to know that Section 1239(1)(h) of the Code prohibits producers from using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

COUNT I

4. On or about January 22, 2004, Respondents received a check in the amount of \$2,900.00 from XXX for workers compensation and general liability insurance. Respondents failed to complete an application for such coverage and failed to remit the premium payment to an insurer.
5. By the conduct set forth above, Respondents violated Sections 1207(1) and 1239(1)(h) of the Code.

COUNT II

6. On or about January 14, 2004, Respondents received a check in the amount of \$248.00 for homeowners insurance underwritten by Michigan Basic Property Insurance Association. Respondents failed to remit the premiums to Michigan Basic and on April 12, 2004, XXX suffered a \$4,000.00 loss to the subject property. Mr. XXX has been repaid.
7. By the conduct set forth above, Respondents violated Sections 1207(1) and 1239(1)(h) of the Code.

COUNT III

8. On or about January 15, 2004, XXX purchased from Respondents automobile insurance underwritten by Bristol-West Insurance Company. The following week, Ms. XXX advised Respondents that the address on her policy was incorrect and gave Respondents the correct address. Respondents failed to contact Bristol-West and make the address change.
9. On April 12, 2004, Bristol-West cancelled Ms. XXX's policy for failure to supply underwriting information relative to her address that was necessary to underwrite the risk. On April 16, 2004, Ms. XXX's automobile sustained a \$7,424.27 loss that was not paid by Bristol-West.
10. By the conduct set forth above, Respondents violated Section 1239(1)(h) of the Code.

COUNT IV

11. In 1998, Section 1204(4) of the Code required persons to be honest and trustworthy as a conditions for licensure.

12. On or about November 1, 1998, Respondent Parks completed an application for licensure as an insurance agent. Question 9 of the application asked if the applicant had ever been convicted of a felony. Respondent Parks answered question 9 "No." In fact, in 1988, Parks was convicted of felony embezzlement and in 1983 he was convicted of felony unarmed robbery.
13. By the conduct above, Respondent Parks failed to demonstrate the minimum standards for licensure set forth in Section 1204(4) of the Code.

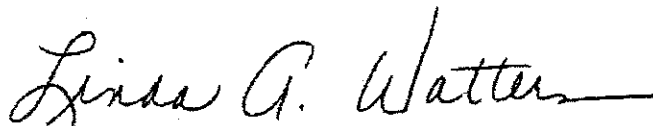
COUNT V

14. Respondents, as practice, charged insurance customers a "service fee" to place insurance coverage. To the knowledge of OFIS staff, Respondents collected a total of at least \$2,100.00 in service fees. A list of the consumers from whom Respondents collected service fees is attached to this consent order and marked "Attachment A."
15. By the conduct above, Respondents violated Section 1239(1)(h) of the Code.

B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

1. Respondents shall immediately cease and desist from operating in such a manner as to violate Sections 1207(1) and 1239(1)(h) of the Code.
2. Respondent shall make restitution in \$11,947.24 as restitution as follows:
 - a. \$6,947.24 to XXX;
 - b. \$2,900.00 to XXX; and
 - c. \$20.00 each to those individuals set forth on Attachment A hereto (aggregate total: \$2,100.00).
2. The licenses of James Edward Parks and J E Parks, Inc are hereby revoked.



Linda A. Watters
Commissioner