

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**AARON STEIN**  
System ID No. 0381563

**Enforcement Case No. 14-12208**

Respondent.

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**Issued and entered**  
on July 14, 2015  
by **Teri L. Morante**  
**Chief Deputy Director**

**ORDER ACCEPTING STIPULATION**

Based upon the Stipulation to Entry of Order and the files and records of the Department of Insurance and Financial Services (DIFS) in this matter, the Chief Deputy Director finds and concludes that:

1. Pursuant to Executive Order 2013-1, all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of DIFS.
2. The Chief Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 (APA), as amended, MCL 24.201 *et seq.*, and the Michigan Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
3. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
4. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
5. All applicable provisions of the APA have been met.
6. At all relevant times, Aaron Stein (Respondent) was a licensed resident insurance producer with qualifications in life, accident and health, property and casualty since November 18, 2005. Respondent's license was suspended for failing to complete continuing education requirements from August 1, 2011, through August 28, 2011; however, it is currently active.
7. On July 28, 2014, the Insurance Licensing Section of DIFS received an anonymous news article regarding Respondent. The article stated that Respondent pled no contest to

charges of assault with a weapon and possession of marijuana. The victim in the case had testified that she feared for her safety and believed Respondent had a gun during an October 16, 2013, road rage incident. The article further stated that Respondent would be sentenced on August 14, 2014. After conducting a background check on July 29, 2014, DIFS Staff discovered Respondent had been charged with the following crimes:

- Count 1 – felony assault with weapon
  - Count 2 – misdemeanor weapons – firearms – brandishing in public
  - Count 3 – misdemeanor controlled substance – possession of marijuana
8. On July 29, 2014, a letter of inquiry was sent to Respondent at his address of record. No response was received and the letter was not returned by the U.S. Postal Service. DIFS Staff subsequently confirmed Respondent's address by using the Lexis-Nexis Accurint database.
  9. On September 15, 2014, DIFS Staff sent a Freedom of Information Act request to the Livingston County Clerk to obtain court documentation pertaining to the August 14, 2014, sentencing. On September 18, 2014, a response was received from the Livingston County Clerk's office. The court documentation showed that on August 30, 2014, Respondent pled nolo contendere to Count 1 - felony assault with weapon and Count 3 - misdemeanor controlled substance – possession of marijuana. Respondent was sentenced to three days in jail, fined \$248.00, and placed on probation for 18 months.
  10. Respondent failed to report his convictions within 30 days of the initial pretrial hearing date and failed to respond to DIFS' inquiry.
  11. As a licensee, Respondent knew or had reason to know that Section 249(a) of the Code, MCL 500.249(a), states that:

For the purposes of ascertaining compliance with the provisions of the insurance laws of the state or of ascertaining the business condition and practices of an insurer or proposed insurer, the commissioner, as often as he deems advisable, may initiate proceedings to examine the accounts, records, documents and transactions pertaining to:

(a) Any insurance agent, surplus line agent, general agent, adjuster, public adjuster or counselor.
  12. By failing to respond to DIFS' July 29, 2014, inquiry, Respondent has failed to comply with a request of the Director pursuant to Section 249.
  13. As a licensee, Respondent knew or had reason to know that Section 1247(2) of the Code, MCL 500.1247(2), states that:

(2) Within 30 days after the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

14. By failing to report the criminal convictions to DIFS within 30 days of the initial pretrial hearing date, Respondent has violated MCL 500.1247(2).
15. As a licensee, Respondent knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), states that:

(1) In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

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

16. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(b) and 1244(1) of the Code, by failing to respond to the letter of inquiry from DIFS Staff as required under Section 249, MCL 500.249.
17. Respondent has also provided justification for sanctions, pursuant to Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), by failing to report his criminal convictions to DIFS within 30 days of the initial pretrial hearing date pursuant to Section 1247(2) of the Code, MCL 500.1247(2).
18. As a licensee, Respondent knew or had reason to know that Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), states that:

(1) In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

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(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere

19. Respondent engaged in coercive practices and has provided justification for sanctions, pursuant to Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), by threatening his victim with immediate harm from his use of a weapon during the course of a road rage incident.
20. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order the payment of a civil fine, and/or other licensing sanctions, including revocation of licensure.

Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

21. Respondent shall cease and desist from operating in a manner that violates the Code.
22. Respondent's Michigan resident insurance producer license (System ID No. 0381563) is hereby SURRENDERED.
23. The Chief Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the Code. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order may result in the commencement of additional proceedings.

  
Teri L. Morante  
Chief Deputy Director