

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Department of Insurance and Financial Services

Enforcement Case No. 15-12580

Agency No. 16-049-L

Petitioner,

v

Anna Marie Gradeless

System ID No. 0530784

Respondent.

_____ /

Issued and entered
on July 5th, 2016
by **Randall S. Gregg**
Deputy Director

FINAL DECISION

I. Background

Anna Marie Gradeless (hereinafter Respondent) is a licensed resident producer whose license has now lapsed for failure to comply with continuing education requirements. The Department of Insurance and Financial Services (DIFS) received information that Respondent used fraudulent and dishonest practices and demonstrated untrustworthiness and incompetence in the business of insurance. After investigation and verification of the information, on December 15, 2015, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent had provided justification for revocation of licensure and other sanctions pursuant to Sections 1239(1) and 1244(1)(a-d) of the Michigan Insurance Code (Code), MCL 500.1239(1) and 500.1244(1)(a-d). Respondent failed to reply to the NOSC.

On February 26, 2016 and April 7, 2016, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent at the address s/he is required to maintain with DIFS. The Order for Hearing required Respondent to take one of the following actions within 21 days: (1) agree to a resolution of the case, (2) file a response to the allegations with a statement that Respondent planned to attend the hearing, or (3) request an adjournment. Respondent failed to respond or take any action.

On June 6, 2016, DIFS Staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's failure to respond, Petitioner's motion is granted. The

Administrative Complaint, being unchallenged, is accepted as true. Based upon the Administrative Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

II. Findings of Fact and Conclusions of Law

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 the Department of Insurance and Financial Services (Director).
2. Respondent knew or should have known that Section 1239(1)(h), MCL 500.1239(1)(h), provides that the Director may take action against an insurance producer who uses fraudulent, coercive, or dishonest practices or demonstrates incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
3. Respondent used dishonest and/or fraudulent practices and demonstrated incompetence, untrustworthiness and financial irresponsibility in the conduct of business by:
 - a. Allowing unlicensed, unappointed individuals to use her producer credentials to sell, solicit and negotiate insurance at Fiesta Auto Insurance Agency. MCL 500.1201a, 500.1208a, and 500.1239(1)(b) and (l);
 - b. Failing to ensure the money collected on her behalf by unlicensed individuals Barba, Montalvo, and Munoz, and intended to pay for insurance premium, was remitted to the insurer for the purchase of insurance. MCL 500.1207(1) and 500.1239(1)(b);
 - c. Signing and certifying insurance applications as the agent of record knowing she was not the agent who conducted the insurance transaction and the certification was not true. MCL 500.1239(1)(e); and
 - d. Using another's home address on insurance applications with the intent to defraud insurers in order to obtain cheaper insurance for customers. MCL 500.4503(a) and (1) and 500.1239(1)(b).
4. As a licensed resident producer, Respondent knew or had reason to know that Section 1239 of the Code, MCL 500.1239, provides in part:
 - (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:

* * *

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

* * *

(e) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

* * *

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

* * *

(l) Knowingly accepting insurance business from an individual who is not licensed.

5. Respondent has provided justification for discipline by using fraudulent and dishonest practices, demonstrating untrustworthiness and incompetence in the business of insurance and violating the insurance laws of this state. MCL 500.1239(1)(b), (e), (h) and (l).
6. DIFS Staff have made reasonable efforts to serve Respondent and have complied with MCL 500.1238(2).
7. Respondent has received notice and has been given an opportunity to respond and appear and has not responded nor appeared.
8. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.

III. Order

Based upon the Respondent's conduct and the applicable law cited above, it is ordered that:

1. Respondent shall cease and desist from violating the Code.
2. Respondent shall immediately cease and desist from engaging in the business of insurance.

3. Pursuant to MCL 500.1239(1)(e) and (h), and MCL 500.1244(1)(d), Respondent's resident insurance producer license (System ID No. 0530784) is **REVOKED**.

Patrick M. McPharlin, Director
For the Director:



Randall S. Gregg, Deputy Director