

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

FRANKLIN J. CASTILLO
System ID No. 0315281

Enforcement Case No. 15-12580

Respondent.

_____ /

Issued and entered
on August 22, 2016
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. The NOSC contained allegations that Respondent prepared and submitted an auto insurance application with a home/garaging address not belonging to the applicant knowing or having reason to know that the applicant's home/garaging address was not accurate and took no measures to verify the applicant's correct home/garaging address. As a result, the insurer was deprived of accurate and truthful information during the underwriting process. MCL 500.1239(1)(h).

7. Based on the foregoing, Respondent demonstrated incompetence and untrustworthiness in the conduct of business by preparing and submitting an auto insurance application with a home/garaging address not belonging to the applicant knowing or having reason to know that the applicant's home/garaging address was not accurate and took no measures to verify the applicant's correct home/garaging address. As a result, the insurer was deprived of accurate and truthful information during the underwriting process. MCL 500.1239(1)(h).

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

8. Respondent shall cease and desist from operating in a manner that violates the Code.
9. Respondent shall pay to the State of Michigan a civil penalty in the amount of \$1,000.
10. 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.

Dated:

Aug 22, 2016


Teri L. Morante
Chief Deputy Director

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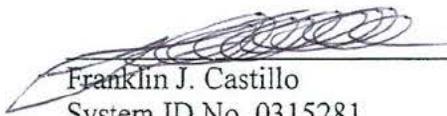
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STIPULATION TO ENTRY OF ORDER

Franklin J. Castillo (Respondent) stipulates to the following:

1. At all pertinent times, Respondent was licensed with DIFS as a resident producer with qualifications in property and casualty pursuant to the Code.
2. On or about November 17, 2015, the Department of Insurance and Financial Services (DIFS) served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent violated provisions of the Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
3. The NOSC contained allegations that Respondent prepared and submitted an auto insurance application with a home/garaging address not belonging to the applicant knowing or having reason to know that the applicant's home/garaging address was not accurate and took no measures to verify the applicant's correct home/garaging address. As a result, the insurer was deprived of accurate and truthful information during the underwriting process. MCL 500.1239(1)(h).
4. Respondent exercised the right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
5. Respondent, by and through his counsel, and DIFS conferred for the purpose of resolving this matter.
6. All parties have complied with the procedural requirements of the APA and the Code.
7. Respondent agrees that he will cease and desist from operating in a manner that violates the insurance laws of this state.
8. Respondent agrees that he will pay to the state of Michigan, through DIFS, administrative and civil fines in the amount of \$1,000. Respondent further agrees to pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.

9. Respondent has had an opportunity to review this Stipulation to Entry of Order and the proposed Order Accepting Stipulation and have the same reviewed by legal counsel.
10. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
11. The Chief Deputy Director may, in her sole discretion, decide to accept or reject this Stipulation to Entry of Order. If the Chief Deputy Director accepts the Stipulation to Entry of Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Order Accepting Stipulation and Requiring Compliance and Payment of Fines. If the Chief Deputy Director does not accept the Stipulation to Entry of Order, Respondent waives any objection to the Director holding a formal administrative hearing and making a decision after such hearing.
12. It is further stipulated that failure to comply with the Order of the Chief Deputy Director accepting this Stipulation by failing to pay the administrative and civil fines as set forth above shall result in the commencement of an action to suspend all licenses held under the Code by Respondent.

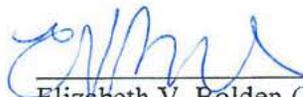


Franklin J. Castillo
System ID No. 0315281

7/6/16

Date

DIFS Staff approve this Stipulation and recommend that the Chief Deputy Director accept it and issue an Order Accepting Stipulation.



Elizabeth V. Bolden (P69865)
DIFS Staff Attorney

7/12/2016

Date