

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

JUSTIN D. JOHNSON
System ID No. 0263395

Enforcement Case No. 14-11937

Respondent.

_____ /

Issued and entered
on November 13, 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. In October 2006, Respondent was convicted of a misdemeanor.
7. Respondent did not notify DIFS of the criminal prosecution within 30 days after the initial pretrial hearing date or otherwise, nor did he disclose the conviction on a resident insurance producer agency application filed with DIFS.

8. Respondent violated Section 1247(2) of the Code, MCL 500.1247(2), by failing to notify DIFS of his criminal prosecution within 30 days, or by November 29, 2007, after he pled guilty to a misdemeanor whereby an initial pretrial hearing was no longer necessary.
9. Respondent has provided justification for licensing sanctions for using dishonest practices and demonstrating untrustworthiness and incompetency in the business of insurance when he failed to properly report and disclose his misdemeanor conviction to DIFS.

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

10. Respondent shall cease and desist from operating in a manner that violates the Code.
11. Respondent shall submit to heightened supervision for a period of 12 months to ensure that he is transacting insurance business in Michigan in compliance with the Code as outlined in the Stipulation to Entry of Order.
12. Respondent shall pay to the State of Michigan a civil penalty in the amount of \$1,000.
13. 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: 11/13/15


Teri L. Morante
Chief Deputy Director



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STIPULATION TO ENTRY OF ORDER

Justin D. Johnson (Respondent) stipulates to the following:

1. On or about March 10, 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.*
2. Specifically, the NOSC contained allegations that Respondent violated Section 1247(2) of the Code, MCL 500.1247(2), Section 1244(1)(a)-(d) of the Code, MCL 500.1244(1)(a)-(d), Section 1239(1)(a) of the Code, MCL 500.1239(1)(a), Section 1239(1)(d) of the Code, MCL 500.1239(1)(d), and Section 1239(1)(h) of the Code, MCL 500.1239(1)(h).
3. Respondent and DIFS conferred for the purpose of resolving this matter.
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. At all pertinent times, Respondent was licensed with DIFS as a resident insurance producer pursuant to the Code.
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 Code.
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 as indicated on the DIFS invoice.



9. Respondent, further agrees, to subject himself to heightened supervision for a period of 12 months to ensure that he is transacting insurance business in Michigan in compliance with the Code.
10. During the heightened supervision period, Respondent shall make a quarterly, written, signed, and notarized report to be submitted to DIFS certifying that he is in compliance with the Code and shall include the following information:
 - a. Any new investigations brought against him and he shall provide a copy of all pleadings, judgments, awards or orders filed in furtherance of each action to DIFS;
 - b. Any consumer complaints, written or oral; and
 - c. The name, address and telephone number of each employer with whom he is employed and the name of his immediate supervisor. For any periods of unemployment, he must provide a written, signed and notarized statement of any and all insurance business engaged in during the periods of unemployment.
11. The aforementioned disclosure and reports must be addressed to: Department of Insurance and Financial Services, Office of Insurance Licensing and Market Conduct, 530 W. Allegan St., PO Box 30220, 7th Fl., Lansing, MI 48909.
12. 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.
13. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
14. 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.
15. It is further stipulated that failure to comply with the Order of the Director accepting this settlement by failing to pay the administrative and civil fines as set forth above shall result in the commencement of an action to suspend (or to continue the suspension of) all licenses held by Respondent under the Code.

It is further stipulated that the amount of fines and/or fees has been negotiated in return for the avoidance of further proceedings and certain promises and conditions, one of which is the timely payment of said fines and/or fees. Should Respondent fail to pay the



the parties agree that an action will commence to determine if the Respondent has, in fact, failed to pay, and, if so, Respondent agrees that the fines and/or fees will immediately increase to the maximum amount allowed under the Code, shall be immediately due in full, and Respondent's license(s) shall be revoked.


Justin D. Johnson
System ID No. 0263395

6 Oct. 2015
Date

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


Elizabeth V. Borden (P69865)
DIFS Staff Attorney

10/6/2015
Date

