

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

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

In the matter of:

**DAVID PHILLIP GRIMES**  
System ID No. 69555

**ENFORCEMENT CASE NO. 13-11811**

**QUALITY INSURANCE SERVICES, INC.**  
System ID No. 10230

Respondents.

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**Issued and entered**  
on December 19, 2013  
**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 the Department of Insurance and Financial Services (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. Respondents violated Section 1207 of the Code, MCL 500.1207, by failing to remit collected premiums to the insurer.

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

7. Respondents shall cease and desist from violating the Insurance Code.
8. Respondents' insurance producer licenses are hereby **REVOKED**.
9. 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

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STIPULATION TO ENTRY OF ORDER

David Phillip Grimes and Quality Insurance Services, Inc. (Respondents) stipulate to the following:

1. On or about October 14, 2013, the Department of Insurance and Financial Services (DIFS) served Respondents with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondents violated provisions of the Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
2. Specifically, the NOSC contained allegations that Respondents violated Section 1207 of the Code, MCL 500.1207.
3. Respondents exercised the right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
4. Respondents and DIFS conferred for the purpose of resolving this matter.
5. At all pertinent times, Respondents were licensed with DIFS as resident insurance producers pursuant to the Code.
6. All parties have complied with the procedural requirements of the APA and the Code.
7. Respondents agree that they will cease and desist from operating in a manner that violates the Code.
8. Respondents' insurance producer licenses shall be revoked.
9. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.

10. 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, Respondents waive 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, Respondents waive any objection to the Director holding a formal administrative hearing and making his decision after such hearing.
11. Respondents have 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.

David Phillip Grimes  
David Phillip Grimes  
System ID No. 69555

12-5-2013  
Date

David Grimes  
Quality Insurance Services, Inc.  
By: David Grimes  
Its:

12-5-2013  
Date

DIFS Staff approve this stipulation and recommend that the Chief Deputy Director issue the above Consent Order.

Scott Basel P68335  
Scott Basel (P68335)  
DIFS Staff Attorney

12-11-13  
Date