

STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION  
Before the Commissioner of Financial and Insurance Regulation

Office of Financial and Insurance Regulation  
Petitioner

v

Enforcement Case No. 08-7018

John William Cook  
Respondent

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For the Petitioner:

Elizabeth Bolden  
Office of Financial and Insurance Regulation  
611 W. Ottawa, 3<sup>rd</sup> Floor  
Lansing, MI 48933

For the Respondent:

John William Cook  


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Issued and entered  
this ~~13<sup>th</sup>~~ day of January 2010  
by Ken Ross  
Commissioner

**FINAL DECISION**

**BACKGROUND**

This case concerns the application of John William Cook (Respondent) for a nonresident insurance producer license. Respondent filed his application with the Office of Financial and Insurance Regulation (OFIR) in May 2008. On the application, Respondent disclosed that he had been convicted of felony drug possession in Illinois in 1987. The license application was denied based on that conviction. Deputy Commissioner Jean Boven issued a Notice of Denial of License Application in August 2008. In a letter dated November 18, 2008, Respondent appealed the denial and requested a hearing.

On February 12, 2009, Chief Deputy Commissioner Stephen R. Hilker issued an Order for Hearing and Order to Respond in this case. The Order for Hearing required Respondent to

take one of the following actions within 21 days: agree to a resolution of the case, file an answer to the allegations stated in the Order with a statement that Respondent plans to attend the hearing, or request an adjournment. Respondent failed to take any of these actions.

On November 4, 2009, the Petitioner filed a Motion for Final Decision by Default. Respondent did not respond to the Motion. Given Respondent's failure to respond and his failure to comply with the Order for Hearing, Petitioner's motion is granted.

#### ANALYSIS

The following facts, which appear in Respondent's license application are not in dispute:

- In 1987 in the Fifth Judicial Circuit of Illinois, Respondent pled guilty to a felony of unlawful possession of cannabis.
- On, May 7, 2008, Respondent submitted the electronic version of the Michigan Application for Individual Non-Resident License for the accident/health/life, property and casualty lines of insurance.
- Respondent was denied the license because of his felony conviction.

These facts are the only facts needed to resolve the licensing question presented by this case. Respondent's appeal is not based on resolving questions of fact but rather presents a question of how the licensing statute for insurance producers should be applied.

The Insurance Code provisions raised in this matter are reprinted below:

Section 1205(1)(b) of the Insurance Code, MCL 500.1205(1) provides:

(1) A person applying for a resident insurance producer license shall file with the commissioner the uniform application required by the commissioner and shall declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are

true, correct, and complete to the best of the individual's knowledge and belief. An application for a resident insurer producer license shall not be approved unless the commissioner finds that the individual meets all of the following:

\* \* \*

(b) Has not committed any act that is a ground for denial, suspension, or revocation under section 1239.

Section 1239(1)(f) of the Insurance Code, MCL 500.1239(1)(f) provides:

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

\* \* \*

(f) Having been convicted of a felony.

Section 1205, applied in conjunction with section 1239, require that a producer license be denied to individuals convicted of a felony. By virtue of his felony conviction, Respondent has "committed [an] act that is a ground for denial, suspension, or revocation under section 1239."

In such cases, section 1205 of the Code requires that the license not be approved.

The Commissioner concludes that Respondent is not qualified to receive an insurance producer license. It is appropriate to grant the OFIR staff's Motion for Final Decision by Default.

### ORDER

Therefore, it is ORDERED that the Respondent's application for an insurance producer license is denied.



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Ken Ross  
Commissioner