

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. 10-7853

**Justin Herron,
Respondent**

For the Petitioner:

**William Peattie
Office of Financial and Insurance Regulation
P.O. Box 30220
Lansing, MI 48909-7720**

For the Respondent:

Justin Herron

**Issued and entered
this 15 day of February 2011
by Ken Ross
Commissioner**

FINAL DECISION

I. Background

Respondent Justin Herron is a licensed insurance producer authorized to transact the business of insurance in Michigan. In July 2009, the Office of Financial and Insurance Regulation received information that Respondent had engaged in felonious conduct in connection with two bank accounts he controlled. OFIR investigated the complaint and initiated a compliance action.

On October 27, 2010, OFIR issued an Administrative Complaint and Order for Hearing which was sent to Respondent. The administrative complaint set forth detailed allegations that Respondent had failed to comply with sections 1239(1) and 1247(2) of the Michigan Insurance Code, MCL 500.1239(1) and 500.1247(2).

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 with a statement that Respondent plans to attend the hearing, or request an adjournment. Respondent failed to take any of these actions.

On December 2, 2010, OFIR staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's failure to take one of the required actions, Petitioner's motion is granted. The administrative complaint, being unchallenged, is accepted as true. Based on the administrative complaint, the Commissioner makes the following findings of fact and conclusions of law.

II. Findings of Fact and Conclusions of Law

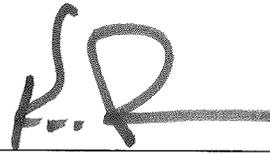
1. Respondent, as a licensed insurance producer, is required to know and comply with the Michigan Insurance Code, including chapter 12 of the Insurance Code, MCL 500.1201, *et seq.* Respondent's conduct as described here violated several provisions of chapter 12.
2. Section 1247(2) of the Insurance Code requires that an insurance producer charged with a crime shall report such criminal prosecution to the Commissioner within 30 days after the initial pretrial hearing date. The sanctions for a violation of section 1247(2) include license revocation.
3. Section 1239(1)(f) of the Insurance Code, allows the Commissioner to revoke an insurance producer's license for having been convicted of a felony.
4. Section 1239(1)(h) of the Insurance Code, allows the Commissioner to revoke an insurance producer's license for using fraudulent, coercive, or dishonest practices or

demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

5. Section 1244(1) of the Insurance Code authorizes license revocation for insurance producers who violate any provision of chapter 12 of the Insurance Code.
6. In July and August 2008, Respondent presented for deposit to Huntington Bank in Wyoming, Michigan two checks written on an HSBC Bank account that Respondent controlled. Respondent's HSBC Bank account did not have sufficient funds for the checks to be honored.
7. In April 2010, Respondent pled guilty to the felony of false pretenses - \$20,000.00 or more, MCL 750.218(5)(a). Respondent was sentenced to 36 months of probation, ordered to pay \$26,769.10 in restitution to Huntington Bank, assessed \$5,688.00 in court costs and fees, and ordered to perform 80 hours of work crew service.
8. Respondent did not report his prosecution or conviction to the Commissioner.
9. By failing to report his criminal prosecution to the Commissioner, Respondent violated section 1247(2) of the Insurance Code.
10. By being convicted of a felony, Respondent is subject to the revocation of his producer license under section 1239(1)(f) of the Insurance Code.
11. By issuing checks without sufficient funds to cover the amount of the checks, Respondent engaged in fraudulent and dishonest practices for which the revocation of his producer license may be ordered under section 1239(1)(h) of the Insurance Code.

III. Order

Pursuant to sections 1239(1) and 1244(1) of the Michigan Insurance Code, the insurance producer license of Respondent Justin Herron is revoked.

A handwritten signature in dark ink, appearing to be 'K. Ross', written over a horizontal line.

Ken Ross
Commissioner