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STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of Financial and Insurance Regulation

In the matter of:

Office of Financial and Insurance Regulation **Enforcement Case No. 10-7570**

Petitioner

v

Jeffrey T. Miles
System ID No. 0160362

Respondent

_____/

CORRECTED CONSENT ORDER AND STIPULATION

Issued and entered
on 10/29, 2010
by Stephen R. Hilker
Chief Deputy Commissioner

I.
FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. At all times pertinent to the matter herein, Jeffrey T. Miles (Respondent) was a licensed resident producer authorized to transact the business of insurance in this state.

2. As a licensed insurance producer, Respondent knew or had reason to know that Section 249(a) of the Insurance Code (Code), MCL 500.249(a) states:

> For the purposes of ascertaining compliance with the provisions of the insurance laws of the state or of ascertaining the business condition and practices of an insurer or proposed insurer, the commissioner, as often as he deems advisable, may initiate proceedings to examine the accounts, records, documents and transactions pertaining to:
>
> (a) Any insurance agent, surplus line agent, general agent, adjuster, public adjuster or counselor.

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3. As a licensed insurance producer, Respondent knew or had reason to know that Section 1238(1) of the Code, MCL 500.1238(1), states:

> When applying for a license to act as an agent, solicitor, counselor, or adjuster, each applicant shall report his or her mailing address to the commissioner. An agent, solicitor, counselor, or adjuster shall notify the commissioner of any change in his or her mailing address within 30 days of such change. A fee of $3.00 shall accompany each change of address to cover costs of recording such change. A fee collected under this subsection shall be turned over to the state treasurer and credited to the general fund of the state. The commissioner shall maintain the mailing address of each agent, solicitor, counselor, or adjuster on file.

4. As a licensed insurance producer, Respondent knew or had reason to know that Section 150(1) of the Code, MCL 500.150(1), states:

> Any person who violates any provision of this act for which a specific penalty is not provided under any other provision of this act or of other laws applicable to the violation shall be afforded an opportunity for a hearing before the commissioner pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws. If the commissioner finds that a violation has occurred, the commissioner shall reduce the findings and decision to writing and shall issue and cause to be served upon the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the commissioner may order any of the following:
>
> (a) Payment of a civil fine of not more than $500.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this act, the commissioner may order the payment of a civil fine of not more than $2,500.00 for each violation. . . . An order of the commissioner under this subdivision

shall not require the payment of civil fines exceeding $25,000.00. . . .

(b) The suspension, limitation, or revocation of the person's license or certificate of authority.

5. Respondent has failed to uphold the standards as described below.

COUNT I

6. On November 20, 2009, the Office of Financial and Insurance Regulation (OFIR) received a complaint letter, signed and dated November 15, 2009, from L.D.E. In her complaint letter, Ms. E. made the following allegations:

   i. On September 22, 2008, Ms. E. was sold Policy No. [redacted] by Ohio National Life Insurance Company, which she discovered was a variable annuity rather than the no-risk, guaranteed investment product she thought she had purchased.

   ii. Ms. E. was unable to transfer her funds to a no-risk product in a timely manner because unbeknownst to her, her policy and account had been setup in her brokerage firm's name, Robert W. Baird & Co., Incorporated (Baird). Respondent setup the policy and account, and is an affiliated agent with Baird Insurance Services, Inc.

   iii. Unbeknownst to Ms. E., Baird was designated as the "beneficiary" of her policy and account.

7. On November 24, 2009, the OFIR Consumer Services Section made a written inquiry to Respondent. However, no response was received.

8. On January 20, 2010, the Consumer Services Section sent a request for an immediate response to their prior inquiry. However, no response was received.

9. On February 8, 2010, the Consumer Services Section sent a proposed settlement agreement via certified mail. The certified mail receipt indicates that the letter was received and signed for by Karen W. on February 11, 2010. However, no response was received.

10. By failing to promptly respond to an OFIR inquiry, Respondent violated MCL 500.249(a).

COUNT II

11. On March 22, 2010, an address search of the Secretary of State (SOS) database was requested by the Office of General Counsel (OGC). The search discovered the following new mailing address for Respondent:

Jeffrey Thomas Miles
[redacted]

12. Respondent did not notify the Commissioner of his new address as required by the Michigan Insurance Code (Code), MCL 500.100 et seq.

13. By failing to notify the Commissioner of his new mailing address, Respondent violated MCL 500.1238(1) of the Code.

II.
ORDER

Based upon the Findings of Fact and Conclusions of Law above and Respondent's stipulation, the Commissioner ORDERS that:

1. This order shall rescind the Consent Order and Stipulation dated July 12, 2010.

2. Respondent shall CEASE and DESIST from violating MCL 500.249(a), MCL 500.1247, and MCL 500.2005a.

3. Forthwith, Respondent shall update his address via the Producer Address Change Request (PACR) at the National Insurance Producer Registry (NIPR) website, and answer the November 24, 2009 inquiry made by the Consumer Services Section of the OFIR.

4. Respondent agrees that he will pay to the State of Michigan, through OFIR, administrative fines in the amount of $250.00. Respondent further agrees to pay the fines within 30 days of the invoice date as indicated on the OFIR invoice.

IT IS SO ORDERED

Dated: 10/29/10

Stephen R. Hilker
Chief Deputy Commissioner

III.
STIPULATION

Respondent has read and understands the Consent Order above. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Michigan Insurance Code. Respondent waives the right to a hearing in this matter if this Consent Order is issued. Respondent understands that the Consent Order and Stipulation will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this Consent Order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the Consent Order is not approved. Respondent admits to the Findings of Fact and Conclusions of Law set forth in the above Consent Order, and agrees to the entry of the Consent Order.

Dated: 30 Sep 2010

Jeffrey T. Miles

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above Consent Order.

Dated: 10/19/10

Conrad L. Tatnall
Staff Attorney