

**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:**

**Richard T. Russell**

**Enforcement Case No. 09-7454**

  
System ID No. 50466,

**Student Athletic Protection, Inc.**  
5937 West Main St.  
Kalamazoo, MI 49004  
System ID No. 10036,

**Respondents.**

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Issued and entered  
on October 7<sup>th</sup>, 2009  
by **Stephen R. Hilker**  
Chief Deputy Commissioner

**CONSENT ORDER AND STIPULATION**

**A. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

It is alleged that the following statements are true and correct:

1. At all relevant times, Richard Thomas Russell ("Respondent"), was a licensed resident producer pursuant to the Code with qualifications in accident, health, life, and variable annuities. System ID No. 50466.
2. At all relevant times, Student Athletic Protection, Inc. ("Respondent"), a business organized as a Michigan corporation, was a licensed resident agency with qualifications in accident, health, life, and variable annuities. System ID No. 10036. Hereinafter, Richard Thomas Russell and Student Athletic Protection, Inc. is collectively referenced as the Respondents.

3. On or about August 25, 2009, OFIR received an insurance complaint from [REDACTED] [REDACTED] Detective with Kalamazoo Department of Public Safety, stating that patrol officers found an estimated 75 files containing sensitive information in a dumpster located at 3207 Stadium Drive in Kalamazoo.
4. The documents were gathered and transported to the police station and tagged as evidence. The documents were marked "Student Athletic Protection, Inc." and contained personal information such as social security numbers, names, birthdates and credit card information. On September 3, 2009, OFIR staff retrieved the files from the police station.
5. On or about September 3, 2009, OFIR staff met with Lynn Russell, Mr. Russell's wife who is also an officer of Student Athletic Protection, Inc. She stated that Student Athletic Protection, Inc. received a 30 day notice to vacate their old office located at Stadium Drive because the building was going to be demolished. She stated the files were not properly disposed of because the agency was rushing to move and find a new location. She stated the agency does have procedures in place for destroying files.
6. The Respondents violated the Code, MCL 500.547 (a), where they did not dispose of records in a manner that would ensure the security and confidentiality of customer records.
7. The Respondents violated the Code, MCL 500.547(b), where they did not protect against any anticipated threats or hazards to the security or integrity of customer records and information by placing the files in a dumpster accessible to the public.
8. The Respondents violated the Code, MCL 500.547(c), where they did not protect against unauthorized access to or use of customer records or information that could result in substantial harm or inconvenience to any customer by placing the files in a dumpster accessible to the public.
9. The Respondents violated the Insurance Code, MCL 500.1239(1)(h), where they did not demonstrate competence in adhering to their own procedures for disposing of customer records in a manner that would have ensured the security and confidentiality of the customers' records.
10. Based upon the above actions, Respondents have committed acts that are grounds for the Commissioner ordering payment of a civil fine under Section 1244(1) of the Code.

**B. ORDER**

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

1. Respondents shall immediately cease and desist from operating in such a manner as to violate Sections 547 and 1239, MCL 500.547(2)(a) – (c) and 1239(1)(h), of the Insurance Code.
2. Respondent Richard T. Russell, shall pay to the State of Michigan a civil fine of \$500.00 (five hundred dollars). Upon execution of this Order, OFIR will send Richard T. Russell an Invoice for the civil fine that will be due within 30 days of issuance of the Invoice.
3. Student Athletic Protection, Inc. shall pay to the State of Michigan a civil fine of \$500.00 (five hundred dollars). Upon execution of this Order, OFIR will send Student Athletic Protection, Inc. an Invoice for the civil fine that will be due within 30 days of issuance of the Invoice.

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION



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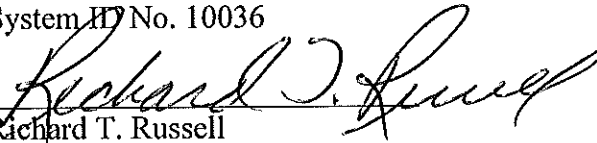
Stephen R. Hilker  
Chief Deputy Commissioner

### C. STIPULATION

I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. I waive the right to a hearing in this matter if this consent order is issued. I understand that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. I waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. I admit the facts set forth in the above consent order and agree to the entry of this order.

  
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Student Athletic Protection, Inc.

BY: Richard T. Russell  
System ID No. 10036

  
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Richard T. Russell

System ID No. 50466

Dated: Oct. 2, 2009

The OFIR staff approves this stipulation and recommends that the Commissioner issue the above Consent Order.

  
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Elizabeth V. Bolden

OFIR Staff Attorney

Dated: Oct. 2, 2009