

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

**Before the Commissioner of the Office of Financial and Insurance Regulation**

**In the Matter of:**

**DONALD J. ZIENTY  
System ID No. 434611**

**Enforcement Case No. 10-7558**

**HAMILTON INSURANCE SERVICES, LLC  
System ID No. 91162**

**Respondents**

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Issued and entered  
this 10<sup>th</sup> day of March 2010  
by Stephen R. Hilker  
**Chief Deputy Commissioner**

**ORDER TO CEASE AND DESIST**

The Office of Financial and Insurance Regulation (OFIR) of the Michigan Department of Energy, Labor and Economic Growth (formerly the “Michigan Department of Labor and Economic Growth”), pursuant to the Michigan Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, (APA) and the Michigan Insurance Code (the Code), as amended, MCL 500.100 *et seq.*, and the rules promulgated under the Code, states the following:

**BACKGROUND AND FINDINGS OF FACT**

The staff of the Office of Financial and Insurance Regulation (“OFIR”) alleges that the following facts are true and correct:

1. At all pertinent times, **DONALD J. ZIENTY** was an Illinois resident insurance producer and a nonresident insurance producer in the State of Michigan with qualification and authorization to solicit, sell and/or negotiate casualty and property insurance, until his license lapsed on January 2, 2009, for failure to renew.
2. **DONALD J. ZIENTY’S** last known business address was 20 E. Jackson Blvd., Suite 1050, Chicago, IL 60607.

3. At all pertinent times, **HAMILTON INSURANCE SERVICES, LLC** was an insurance producer licensed in the State of Illinois from June 16, 2004 until June 16, 2006, and from July 25, 2006 until June 4, 2007, with a last known business address of 20 E. Jackson Blvd., Suite 1050, Chicago, IL 60607.
4. OFIR databases confirm that **HAMILTON INSURANCE SERVICES, LLC** was never a licensed nonresident insurance producer in the State of Michigan and **HAMILTON INSURANCE SERVICES, LLC** never had qualification and authorization to solicit, sell and/or negotiate casualty, property or any other kind of insurance in the State of Michigan.
5. OFIR databases confirm that at all pertinent times, **HAMILTON INSURANCE SERVICES, LLC**, is an alias for **DONALD J. ZIENTY** and **DONALD J. ZIENTY** is an Affiliated/Agent for **HAMILTON INSURANCE SERVICES, LLC**.
6. At all pertinent times, **DONALD J. ZIENTY** solicited sold and/or negotiated casualty and/or property insurance in the State of Michigan through **HAMILTON INSURANCE SERVICES, LLC**.
7. On or about, November 13, 2009, the Office of Financial and Insurance Regulation received a complaint from [REDACTED] (Complainant) alleging that it purchased an insurance policy number CPL [REDACTED] from **DONALD J. ZIENTY** and through **HAMILTON INSURANCE SERVICES, LLC**, for which **DONALD J. ZIENTY** collected premiums for the insurance policy, but failed to remit the premiums to the insurance carrier.
8. The insurance policy was an excess lines policy, which was to cover Complainant for up to \$1,000,000 in pollution liability.
9. **DONALD J. ZIENTY** brokered the insurance policy through [REDACTED] who purchased the policy through [REDACTED].
10. The insurance policy from [REDACTED] policy number CPL [REDACTED] was for the coverage period July 27, 2008 through July 27, 2009. The premium for the policy was \$14,278 and taxes of \$1,626.95, with a total premium of \$15,904.95
11. Complainant entered into a premium finance agreement with [REDACTED] to finance a portion of the insurance policy, number CPL [REDACTED].
12. The premium finance contract shows that Complainant made a \$5,196.45 cash down payment to **HAMILTON INSURANCE SERVICES, LLC**. The remaining balance of \$11,123.37 (Principle of \$10,708.50 + interest of \$414.87= \$11,123.37) was financed through [REDACTED].
13. On August 1, 2008, [REDACTED] forwarded a net premium of \$10,708.50 to **DONALD J. ZIENTY**.
14. Between July 31, 2008 and May 8, 2009, Complainant paid installments to [REDACTED].

15. On May 8, 2009, Complainant paid the final installment payment to [REDACTED], completing all payments owed to [REDACTED].
16. Unbeknownst to Complainant, on September 25, 2008, the insurance policy number CPL [REDACTED] had been cancelled by [REDACTED] for non-payment of the insurance premium.
17. **DONALD J. ZIENTY** collected \$15,904.95 (\$5,196.45 from Complainant and \$10,708.50 from [REDACTED]) in insurance premiums, but failed to remit the insurance premiums to [REDACTED].
18. Subsequent to the policy's cancellation, **DONALD J. ZIENTY** paid a partial payment of \$4,706 to [REDACTED]. This amount reflects earned premium due to [REDACTED] for the period the policy was in place, namely from July 27, 2008 until the date of cancellation on September 25, 2008.
19. Even after the partial payment of \$4,706 by **DONALD J. ZIENTY**, an outstanding balance in the amount of \$11,198.95, in insurance premiums which **DONALD J. ZIENTY** collected on behalf of the Complainant, but failed to remit to [REDACTED], remains to be paid.
20. On December 28, 2009, [REDACTED] reinstated policy CPL [REDACTED] back to the cancellation date of September 25, 2008. Reinstatement was based on Complainant providing [REDACTED] with documented proof that the premiums for the insurance policy had been paid to **DONALD J. ZIENTY** and **HAMILTON INSURANCE SERVICES, LLC**.
21. **DONALD J. ZIENTY** was responsible for collecting the insurance premiums and for remitting the premiums to [REDACTED]. Due to **DONALD J. ZIENTY'S** failure to remit the collected premiums to [REDACTED], Complainant's insurance coverage was put in jeopardy.
22. While **DONALD J. ZIENTY** was a licensed nonresident agent, qualified and authorized to solicit and/or sell casualty and Property insurance within the State of Michigan, as defined by Chapter 12, Section 1201 of the Michigan Insurance Code, as amended, MCL 500.100 *et seq*; he was not licensed or authorized to solicit or sell any kind of insurance through the unlicensed company of **HAMILTON INSURANCE SERVICES, LLC**.
23. **HAMILTON INSURANCE SERVICES, LLC**, was not licensed or authorized to solicit or sell any kind of insurance in the State Of Michigan, in violation of Section 1201 (a) (1) of the Insurance Code.
24. Hereafter, **DONALD J. ZIENTY** and **HAMILTON INSURANCE SERVICES, LLC**, are referred to collectively, as "RESPONDENTS".

### CONCLUSIONS OF LAW

**WHEREAS**, an "Insurance producer" means a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance, as defined in Chapter 12, Section 1201 (e) of the Michigan Insurance Code, as amended, MCL 500.100 *et seq.*, and

**WHEREAS**, Section 1201(a)(1) of the Act, MCL 500.1201a, states that a person shall not sell, solicit, or negotiate insurance in this state for any line of insurance unless the person is licensed for that qualification in accordance with the Act; and

**WHEREAS**, Section 251 of the Act, MCL 500.251, states that in the reasonable exercise of discretion, the Commissioner may issue a cease and desist order if the Commissioner finds any of the following:

- (a) A person is conducting transactions of insurance for which a certificate of authority is required by this act without having obtained a certificate of authority.
- (b) A person is acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by this act.
- (c) A person is engaged in an act or practice in the business of insurance for which authority from or notification to the commissioner is required by this act and the person has not received authority or given notification; and

**WHEREAS**, **DONALD J. ZIENTY** solicited and sold insurance through **HAMILTON INSURANCE SERVICES, LLC**, an unlicensed company in violation of Section 12(a)(1) of the Insurance Code, *et seq.*

**WHEREAS**, the Commissioner finds this action necessary and appropriate in the public interest, for the protection of the public and consistent with the purposes fairly intended by the policy and provisions of the Act;

**IT IS THEREFORE ORDERED** that:

1. **RESPONDENTS** shall immediately **CEASE AND DESIST** from soliciting or transacting any insurance business in the State of Michigan without having obtained a license as required by law;
2. Failure to comply with this ORDER will subject **RESPONDENTS** to one or more of the following:
  - (a) A civil penalty of not more than \$1,000.00 for each violation of this Act, not to exceed a total of \$ 30,000; or

- (b) If the person knew or reasonably should have known, the person is in violation of the Order, a civil penalty of not more than \$25,000.00 for each violation of this Act, not to exceed an aggregate civil fine of \$250,000.00.
- (c) Complete restitution of all persons damage by the violation or failure to comply,
- (d) The Commissioner may also recover reasonable attorney fees if judicial action is necessary for enforcement.

A person or entity who is the subject of a cease and desist order may contest the order by requesting a hearing before the Commissioner not later than 30 days after the order is delivered or mailed to the person. Within 10 days after receiving the request, the Commissioner shall commence a hearing in accordance with 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. Pending the hearing, the cease and desist order continues in full force and effect unless the order is stayed by the Commissioner.

Any request for a hearing should be addressed to:

Office of Financial and Insurance Services,  
Attention: Hearing Coordinator Dawn Kobus,  
P.O. Box 30220,  
Lansing, Michigan 48909.

Date: 3/10/16

By: Stephen R. Hilker  
Stephen R. Hilker  
Chief Deputy Commissioner