

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial & Insurance Regulation

In the Matter of:

Stephen Y. Jensen
System ID No. 156626

Enforcement Case No. 11-11314

Respondent.

Issued and entered
on February 15, 2012
by Annette E. Flood
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

FINDINGS OF FACTS AND CONCLUSIONS OF LAW

1. At all relevant times, Stephen Y. Jensen (Respondent) was a licensed resident producer.
2. On or about February 24, 1998, Complainant purchased a universal life policy from Allstate Insurance Company (Allstate) through Respondent.
3. Between March of 2007, and February of 2009, Allstate processed and distributed four loans from Complainant's universal life insurance policy totaling \$12,500.00. The loans were distributed as follows: March 30, 2007, for \$3,500.00; January 7, 2008, for \$4,700.00; February 20, 2008, for \$2,400.00; and February 26, 2009, for \$1,900.00.
4. The first check was made payable to Complainant at her home address, the remaining three checks were made payable to Complainant at the Respondent's address. Each of the negotiated checks contained an endorsement with Complainant's purported signature.
5. Complainant has stated that these loans were taken without her knowledge and consent, that Respondent was not authorized to request the loans, and that Respondent was not authorized to endorse the checks on her behalf. Complainant further stated that she received no money from these loans.

6. Respondent admits that he signed Complainant's name to the checks. Respondent contends that he was authorized to request the loans and to sign Complainant's name on the checks. Respondent provided a loan application document that was signed by the Complainant. Respondent contends that he deposited the checks into his agency account and then paid cash to Complainant. Respondent has failed or refused to provide receipts showing payment was made to Complainant.
7. Respondent claims that he had a personal relationship with the Complainant and that the complaint was filed in retaliation for the end of the friendship. In support of that claim, Respondent points to the fact that his sister was the named beneficiary of the Complainant's life insurance policy and complainant removed Respondent's sister from the policy after the friendship ended and before the complaint was filed.
8. Whether or not there was a personal relationship between the Respondent and Complainant, Respondent is a licensed insurance producer and is bound to act in compliance with the Code at all times.
9. As a licensed resident producer, Respondent knew or had reason to know that MCL 500.1207(1) and (2) provide, in part, that "an agent shall be a fiduciary for all money received or held by the agent in his or her capacity as an agent. Failure by an agent in a timely manner to turn over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility," and "an agent shall use reasonable accounting methods to record funds received in his or her fiduciary capacity including the receipt and distribution of all premiums due each of his or her insurers."
10. As a licensed resident producer, Respondent knew or had reason to know that MCL 500.1239(1) provides, in part:

In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

* * *

(b) Violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.

* * *

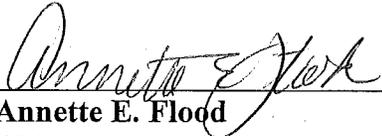
(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

10. Based on the above facts, Respondent's conduct violated the insurance laws of this state; Respondent failed or refused to use reasonable accounting methods; and Respondent's conduct demonstrates financial irresponsibility in the conduct of business in this state.
11. Finally, based upon the above actions, Respondent has committed acts that are grounds for the Commissioner ordering payment of a civil fine; the Commissioner ordering restitution be made to cover losses, damages, or other harm attributed to Respondent's violation of the Insurance Code; and/or the Commissioner ordering licensing sanctions under MCL 500.1244(1).

ORDER

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

- A. Respondent shall immediately cease and desist from operating in a manner that violates Sections 1207 and 1239 of the Code, MCL 500.1207 and 500.1239.
- B. Respondent shall pay a fine in the amount of \$2,500.00 for violating the Insurance Code.
- C. Respondent's insurance producer license is hereby **SUSPENDED** for a period of 60 days from the date of entry of this Order.



Annette E. Flood
Chief Deputy Commissioner

STIPULATION

1. Respondent has read and understand the consent order above.
2. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code.
3. Respondent admits the findings of fact and conclusions of law set forth above and agrees to the entry of this order.
4. Respondent admits that all parties have complied with the procedural requirements of the Michigan Administrative Procedures Act and the Insurance Code.
5. Respondent has had an opportunity to review the stipulation and consent order and have the same reviewed by legal counsel.
6. Respondent agrees that the Order shall continue in effect until lifted by a subsequent

- action of the Commissioner according to the terms set forth herein or until revocation of Respondent's insurance producer license for failure to meet the requirements to lift the Suspension.
7. To lift the Suspension, the Respondent must file the attached Request to Lift the Suspension along with this Settlement Agreement and must prove compliance with the terms of the Settlement Agreement.
 8. If Respondent does not establish compliance with the terms of this Settlement Agreement, the Commissioner shall issue an ORDER that REVOKES RESPONDENT'S MICHIGAN INSURANCE PRODUCER LICENSE FOR COMPLIANCE.
 9. The lifting of the Suspension will only occur if all of the following are true at the time the Request to Lift the Suspension is made and remain true up until the time of the lifting of the Suspension:
 - a. Respondent is up-to-date with all continuing education requirements;
 - b. Respondent has not been charged with a felony during the period of Suspension;
 - c. Respondent has reported any other arrests, charges, convictions, and/or tickets received during the period of Suspension or otherwise not reported to OFIR;
 - d. If Respondent owes child support, Respondent is up-to-date with all child support obligations. (Because a suspension of licensure may affect income, it is suggested that Respondent immediately contact the Friend of the Court to advise them of this action);
 - e. During the period of Suspension, Respondent has not been found to have violated the laws or orders of any other State's insurance regulator or agency;
 - f. Respondent has paid restitution to any person or persons as required by the Settlement Agreement;
 - g. Respondent has paid any and all fines imposed under this Settlement Agreement;
 - h. Respondent is up-to-date with all business tax obligations;
 - i. Respondent has fulfilled all other requirements consistent with the Settlement Agreement;
 - j. Respondent did not directly or indirectly solicit or place new business or new accounts during the period of Suspension;
 - k. Respondent has otherwise complied with all other provisions of Chapter 12 of the Michigan Insurance Code, MCL 500.1200 *et. seq.*
 11. It is further stipulated, by and between the parties hereto, that the Chief Deputy Commissioner, or designee, must approve this stipulation. If the Chief Deputy Commissioner, or that person's designee, rejects this stipulation, OFIR will schedule a contested case hearing in this matter without prejudice to either party.
 12. Respondent understands and intends or agrees that by signing this stipulation, Respondent is waiving the right, pursuant to the Code, the rules promulgated thereto, and the Administrative Procedures Act, 1969 PA 306, MCL 24.201 *et seq.*, to a hearing before an administrative law judge, at which OFIR would be required to prove the charges set forth by presentation of evidence and legal authority and at which Respondent would be entitled to appear to cross-examine all witnesses presented and to present such

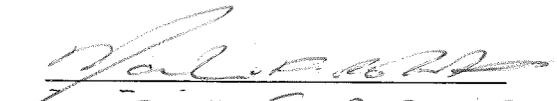
testimony or other evidence or legal authority deemed appropriate as a defense to said charges.

13. Respondent further agrees that during the period of Suspension Respondent may continue to service existing accounts, but may not, either directly or indirectly, solicit or place new business or new accounts. Respondent further understands and agrees that Respondent's appointing authorities will be notified of the terms of this Settlement Agreement.
14. Respondent understands and agrees that should Respondent fail to request a lifting of the Suspension within thirty days following the designated limitation period or should Respondent fail to meet the requirements for lifting the Suspension, Respondent's license will be "revoked for compliance." In such a case, Respondent waives any right to any further administrative hearings or proceedings prior to the revocation of Respondent's insurance producer license for compliance.
15. Respondent understands and agrees that his/her Request to Lift the Suspension must be received
on or before: Monday, April 16, 2012


Stephen Y. Jensen

Dated: 2/6/2012

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


MARLOW F. ROBERTS
Attorney

Dated: 2/14/2012