

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

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Christopher A. Nepsey
System ID No. 0252666

Enforcement Case No. 12-11476

YESPEN, Inc.
System ID No. 0070419

Respondents

_____ /

Issued and entered
on 4/3 2012
by Annette E. Flood
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDING OF FACTS AND CONCLUSIONS OF LAW

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

1. On or about October 6, 2011, the Office of Financial and Insurance Regulation (OFIR) received a letter from _____ stating on February 15, 2011, _____ terminated the appointment of Respondents Christopher Nepsey (Nepsey) and YESPEN, Inc. (YESPEN) after _____ internal investigation determined that Respondent Nepsey “placed ineligible on accounts, and then submitted bogus invalid business with no intent to pay.”
2. On October 1, 2011, Respondent Nepsey’s insurance producer license was terminated for failing to meet continuing education requirements and has been in an inactive status since that date.
3. Respondent YESPEN possesses an active insurance producer license with Accident and Health, and Life qualifications, but does not currently have any active appointments with an insurance company.
4. The _____ received an initial request for an investigation based on allegations that Respondent Nepsey established an _____ account on his personal insurance agency, YESPEN, and issued policies to family members and friends under this account when the family and friends were not employed by Respondent YESPEN.

5. Respondent Nepsey established YESPEN as an account on three different occasions:
 - a. – Established 5/28/2008 – 6 policies, 1 on Respondent Nepsey. Lapsed 10/22/2008. No premiums ever received by
 - b. – Established 5/27/2008 – 14 policies, 7 on Respondent Nepsey. Lapsed 10/27/2008. No premiums ever received by
 - c. – Established 10/4/2010 – 15 policies, 1 on Respondent Nepsey. Lapsed 2/14/2011. Premiums received on Respondent Nepsey's policy.
6. Respondent Nepsey failed to supply with payroll records or tax records showing adequate proof that these applicant/policyholders were employees of Respondent YESPEN at the time the policies were written.
7. provided Respondent Nepsey with \$10,047.50 in advanced commissions based on the submission of these applications.
8. As a licensee, Respondents Nepsey and YESPEN further knew or had reason to know that Section 1239(1)(e) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance."
9. As a licensee, Respondents Nepsey and YESPEN further knew or had reason to know that Section 1239(1)(h) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."
10. As a licensee, Respondents Nepsey and YESPEN further knew or had reason to know that Section 2018 of the Code provides that "An unfair method of competition and an unfair or deceptive act or practice in the business of insurance include making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from an insurer, agent, broker, or individual."
11. As a licensee, Respondents Nepsey and YESPEN knew or had reason to know that Section 1239(1)(b) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner."
12. By selling insurance policies to family members and friends under the YESPEN account when the family and friends were not employed by YESPEN and collecting insurance premium commissions on these policies, Respondent Nepsey has violated Sections 1239(1)(b), (e), and (h) and 2018 of the Code.

13. Based upon the actions listed above, Respondents Nepsey and YESPEN have committed acts that are grounds for the Commissioner ordering payment of a civil fine, refund of any overcharges, restitution made to cover losses, damages or other harm attributed to Respondent's violation of the Code, and/or licensing sanctions under Sections 1244(1) and 2038(1) of the Code for the Respondent's violation of Sections 1239(1)(b), (e), and (h) and 2018 of the Code.

B. ORDER

Based upon the findings of fact and conclusions of law above, and Respondents' Stipulation to said facts, it is hereby ORDERED that:

1. Respondents Nepsey and YESPEN shall immediately cease and desist from operating in a manner that violates the Michigan Insurance Code, 1956 PA 218, as amended, MCL 500.100 *et seq.*
2. Respondent Nepsey's insurance producer license and authority are hereby **REVOKED**.
3. Respondent YESPEN, INC.'s insurance producer license and authority are hereby **REVOKED**.

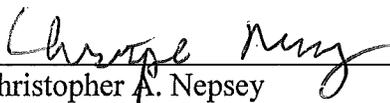
OFFICE OF FINANCIAL AND
INSURANCE REGULATION

By: 
Annette E. Flood
Chief Deputy Commissioner

[Remainder of page left intentionally blank]

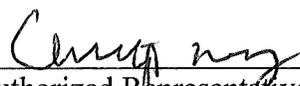
C. STIPULATION

I have read and understand the Consent Order above. I agree that the Chief Deputy Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Insurance Code. I waive any 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 Chief Deputy Commissioner for approval and the Chief Deputy 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 findings of fact and conclusions of law set forth in the above Consent Order and I agree to the entry of this Order. I admit that both parties have complied with the procedural requirements of the Code and the Michigan Administrative Procedures Act (MAPA), MCL 24.201 *et seq.* I have had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.



Christopher A. Nepsey
System ID No. 0252666

Dated: 3-28-12



Authorized Representative of YESPEN, Inc.
System ID No. 0070419

Print Name: Christopher Nepsey

Dated: 3-28-12

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



William R. Peattie

Dated: 4/1/12