

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:

**Eric Ian Morton**  
System ID No. 0156111

**Enforcement Case No. 12-11540**

Respondent.

\_\_\_\_\_/

this 10<sup>th</sup> day of September 2012  
Issued and entered,  
by Annette E. Flood  
Chief Deputy Commissioner

**CONSENT ORDER AND STIPULATION**

**I.**

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. Eric Ian Morton (Respondent) is a licensed resident insurance producer with qualifications in Accident and Health, Life, and Variable Annuities and is authorized to transact the business of insurance in Michigan.
2. The Commissioner of the Office of Financial and Insurance Regulation (OFIR) is statutorily charged by the Insurance Code of 1956 (Code), MCL 500.100 *et seq.*, with the authority and responsibility to exercise general supervision and control over persons transacting the business of insurance in Michigan.
3. Respondent admitted that beginning around August of 2003 and continuing through January of 2008, he agreed and conspired with S.N. and others to defraud (FTB) and commit the offense of bribery of an officer of a financial institution. Respondent was a loan officer and a vice president of FTB.
4. As part of the conspiracy, Mr. S.N. and several of his associates applied for and obtained millions of dollars in commercial loans from FTB. Those loans were evaluated, reviewed, and recommended for approval by Respondent. Mr. S.N. made multiple cash payments to Respondent totaling around \$20,000. Those payments were made to ensure Respondent would assist in obtaining approval of the commercial loans and that he would create and accept certain false and fraudulent documents with respect to those loans. Respondent also

fraudulently removed and destroyed documents maintained by FTB with respect to those loans.

5. Respondent admitted that in February 2010, he cooperated with the Federal Bureau of Investigation (FBI) and subsequently reached a plea agreement in which he pled guilty to two felony counts of conspiracy.
6. On January 25, 2012, Respondent formally entered a plea of guilty in the U.S. District Court, Eastern District of Michigan, Southern Division. Respondent pled guilty to the following felony offenses: Count One – Conspiracy to Commit Bank Fraud; Count Two – Conspiracy to Bribe an Officer of a Financial Institution.
7. As a licensed resident insurance producer, Respondent knew or had reason to know that **Section 1239(1) of the Code, MCL 500.1239(1)**, provides that the Commissioner may place on probation, suspend or revoke an insurance producer license, or may levy a civil fine for:
  - \*\*\*
  - (f) Having been convicted of a felony
  - \*\*\*
  - (h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
8. As a licensed resident insurance producer, Respondent knew or had reason to know that **Section 1244(1)(a-c), MCL 500.1244(1)(a-c)**, provides that the Commissioner may order the payment of a civil fine of up to \$500.00 for each violation and up to \$2,500 for each violation if the Commissioner finds that the person knew or reasonably should have known that he or she was in violation of the Code. The Commissioner may also require the person to refund any overcharges and pay restitution to cover losses, damages, or other harm they may have caused by violating the Code.
9. Based on the above facts, Respondent's conduct provided justification for discipline by demonstrating, as a loan officer and a vice president of FTB, incompetence, untrustworthiness, and financial irresponsibility while conducting business in the state of Michigan.
10. Based on the above facts, Respondent provided justification for discipline by being convicted of two felonies for conspiracy.
11. Thus, Respondent committed acts that provided justification for the Commissioner to order that Respondent's insurance producer license be revoked pursuant to Sections 1239(1)(f), (h) of the Code, MCL 500.1239(1)(f),(h).

## II. ORDER

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

1. Respondent shall CEASE and DESIST from violating the Michigan Insurance Code.
2. Respondent's resident insurance producer license issued pursuant to the provisions of the Michigan Insurance Code is hereby REVOKED.
3. Respondent shall CEASE and DESIST from engaging in any activity requiring licensure under the Michigan Insurance Code.

IT IS SO ORDERED

Dated: 9-10-12

  
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Annette E. Flood  
Chief Deputy Commissioner

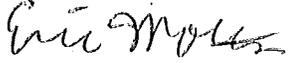
## III. STIPULATION

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 Insurance Code. Respondent waives the right to a hearing in this matter if this consent order is issued. Respondent understands 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. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. Respondent admits the findings of fact and conclusions of law set forth in the above consent order and agrees to the entry of this order. Respondent admits that both parties have complied with the procedural requirements of the Michigan Administrative Procedures Act (MAPA) and the Michigan Insurance Code (Code). Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

Respondent understands and intends that by signing this Stipulation, Respondent is waiving the right, pursuant to the Code, the rules promulgated thereto, and the MAPA, to a hearing before an administrative law judge, at which the 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 by the OFIR and to present such testimony or other evidence or legal authority deemed appropriate as a defense to said charges.

Dated: 9/4/12

  
Eric Morton

The Office of Financial and Insurance Regulation staff approves this Consent Order and Stipulation and recommends that the Chief Deputy Commissioner accept it.

  
Conrad Tatnall (P69785)  
Attorney

Dated: 9/10/12