

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

DEPARTMENT OF LICENSING AND
REGULATORY AFFAIRS,
CORPORATIONS, SECURITIES &
COMMERCIAL LICENSING BUREAU,

Complaint No. 337652

Complainant,

v

DATA RISK MANAGEMENT, LLC
Professional Investigator
License No. 37-01-206978

Respondent.

FORMAL COMPLAINT

The Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (the "Department"), Complainant, alleges as follows, under the Professional Investigator Licensure Act, (the "Act"), MCL 338.821 *et seq.*

1. Data Risk Management, LLC ("Respondent"), has, at all times relevant to this Complaint, been licensed as a Professional Investigator under the Act.
2. A Complaint against Respondent, alleging a violation of the Act, was filed with the Department.

3. MCL 338.830(1) provides as follows:

The department may suspend or revoke a license issued under this act if [it] determines that the licensee . . . has done any of the following:

* * *

- (b) Violated this act or any rule promulgated under this act.

4. MCL 338.829 (1) states the following, in relevant part, regarding an applicant for a professional investigator the Act:

The applicant shall execute, deliver, and file with the department a bond in the sum of \$10,000.00, conditioned for the faithful and honest conduct of the business by the applicant, which bond shall be approved by the department . . . In lieu of a bond, the applicant may furnish a policy of insurance issued by an insurer authorized to do business in this state naming the licensee and the state as co-insured in the amount of \$10,000.00 for property damages, \$100,000.00 for injury or death of 1 person, and \$200,000.00 for injuries to or deaths of more than 1 person arising out of the operation of the licensed activity.

5. On or about August 15, 2018, the Department received notice from Farm Bureau Mutual Insurance Company of Michigan that Respondent's Insurance Policy was cancelled effective August 8, 2018, for non-payment. A copy of this notice is attached as Exhibit 1.

6. On August 17, 2018, the Department sent a Liability Insurance Cancellation Notice to Respondent requesting that Respondent provide the Department with proof of reinstatement of the insurance, a replacement surety bond, or a certificate of liability insurance with an effective date on or before August 8, 2018, within 30 days of the date of the letter. A copy of this notice is attached as Exhibit 2.

7. On September 26, 2018, after Respondent failed to reply to the August 17, 2018 notice, the Department made phone contact with James Carter, a representative of Respondent, who claimed that Respondent had an updated insurance policy that Respondent would forward on to the Department.

8. On September 26, 2018, the Department mailed and emailed a Notice to Respondent giving Respondent until October 12, 2018, to respond and provide the requested documentation. A copy of this notice is attached as Exhibit 3.

9. On October 9, 2018, the notice was returned to the Department by the United States Postal Service with a new forwarding address. The notice was then re-sent to the address provided by the postal service, requiring a response from Respondent by October 24, 2018. Respondent failed to respond to the notice or provide any proof of reinstatement of the insurance,

a replacement surety bond, or a certificate of liability insurance with an effective date on or before August 8, 2018. A copy of this notice is attached as Exhibit 4.

10. Respondent continued to engage in activities regulated by the Act without a valid bond or policy of insurance on file with the Department, contrary to MCL 338.829(1).

11. Based upon the conduct referenced above, Respondent acted contrary to MCL 338.829(1) constituting grounds for the assessment of a penalty, as defined in MCL 338.830(1)(b).

The Department is commencing proceedings under the Act and the Michigan Administrative Procedures Act, MCL 24.201 *et seq.*, to determine whether disciplinary action should be taken by the Department for the reasons set forth above.

MICHIGAN DEPARTMENT OF LICENSING AND
REGULATORY AFFAIRS

BY Linda Clegg
Linda Clegg, Director
Licensing Division

Dated: 5-21-19

Responsive Pleadings Should Be Filed With:

Department of Licensing and Regulatory Affairs
Corporations, Securities & Commercial Licensing Bureau
Regulatory Compliance Division
P.O. Box 30018
Lansing, MI 48909