STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Mack Shumate **Enforcement Case No. 25-18771**
Unlicensed

Respondent.
_____/

Issued and entered
On October 28, 2026
by Joseph A. Garcia
Senior Deputy Director
and General Counsel

ORDER TO CEASE AND DESIST WITH STATEMENT OF FINDINGS AND NOTICE OF OPPORTUNITY FOR HEARING

Pursuant to Section 251 of the Michigan Insurance Code (Code), MCL 500.251, and after reviewing evidence of the conduct described in the attached Statement of Findings, and

WHEREAS, the Director of the Department of Insurance and Financial Services finds that immediate action is necessary and appropriate in the public interest for the protection of the public health, safety, and welfare, and consistent with the purposes fairly intended by public policy and provisions of the Code,

IT IS THEREFORE ORDERED THAT:

1. The Respondent shall immediately **CEASE AND DESIST** from all activities in violation of the Code as described in the Statement of Findings.

2. A copy of this Order shall be immediately served upon Respondent. As to any Respondent, this Order shall be effective upon the date of service.

3. Respondent will have thirty (30) calendar days after the service of this Order to contest the Order or any finding in the attached Statement of Findings, by requesting a hearing. Within ten (10) calendar days after receiving the request, the hearing process shall commence. If a hearing is requested, an administrative law judge from the Michigan Office of Administrative Hearings and Rules shall preside over any such hearing.

4. Any such hearing held shall address the following issues:

    a. The facts set forth in the Statement of Findings.

    b. The continuation of the Order to Cease and Desist.

c. Restitution to be paid by the Respondent.

5. The Director shall have five (5) business days after the hearing (if requested) to affirm, modify, or set aside in whole or in part this Order.

6. Any request for a hearing should be addressed to the Department of Insurance and Financial Services, Attention: Randie Swinson, Hearings Coordinator, P.O. Box 30220, Lansing, MI 48909-7720 or faxed to 517-284-8851.

7. **Failure to request a hearing within the period and through the procedures set forth in paragraphs 3 through 6 above will result in this Order becoming FINAL. Failure to comply with this Order, including, without limitation, any failure to immediately cease and desist from the unlicensed activity and/or other unlawful conduct described in the Statement of Findings, may result in a separate administrative proceeding seeking fines and other penalties set forth in paragraph 10 below.**

8. Moreover, DIFS reserves the right to pursue additional administrative proceedings authorized by law for Respondent's alleged conduct described in the Statement of Findings. In the event that DIFS decides to proceed with further administrative action, Respondent will receive notice and the opportunity to be heard in connection with these subsequent proceedings in accordance with the Code and the Michigan Administrative Procedures Act, MCL 24.201 *et seq*.

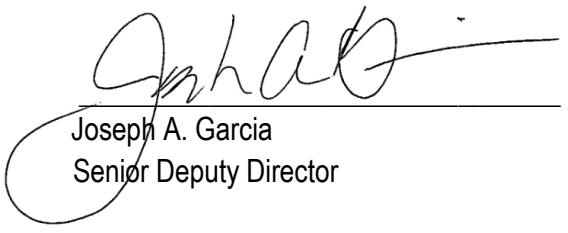
9. The Director retains jurisdiction of the matters contained herein and the authority to issue such further Orders as shall be deemed just, necessary, and appropriate.

10. Pursuant to Section 251(6) of the Code, MCL 500.251(6), a person who violates or otherwise fails to comply with an Order to Cease and Desist is subject to one or more of the following:

a. Payment of a civil fine of not more than $1,000.00 for each violation not to exceed an aggregate civil fine of $30,000.00. However, if the person knew or reasonably should have known the person was in violation of the order, payment of a civil fine of not more than $25,000.00 for each violation not to exceed an aggregate civil fine of $250,000.00.

b. Suspension or revocation of the person's license or certificate of authority.

c. Complete restitution, in the form, amount, and within the period determined by the commissioner, to all persons in this state damaged by the violation or failure to comply.



Joseph A. Garcia
Senior Deputy Director

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STATEMENT OF FINDINGS

1. Pursuant to Section 251(1) of the Michigan Insurance Code (Code), MCL 500.251(1), the Director is empowered to issue a cease and desist order if the Director 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.

   (d) A person authorized to engage in the business of insurance under this act is engaged in conduct that presents an immediate danger to public health, safety, or welfare. MCL 500.251(1).

2. Under Section 1201a(1) of the Code, MCL 500.1201a(1), it is a violation for a person to sell, solicit, or negotiate insurance in this state for any line of insurance without first obtaining a license or qualification for that line.

   a. "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, if the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers. MCL 500.1201(m).

   b. "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company. MCL 500.1201(n).

   c. "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company. MCL 500.1201(o).

3. On-or-around December 2024, DIFS Staff received information about possible unlicensed activity by Respondent Mack Shumate. DIFS Staff reviewed DIFS' records and confirmed that Respondent is not licensed to sell, solicit, or negotiate insurance in Michigan.

4. An investigation was opened by DIFS on December 30, 2024, and a review was conducted based upon information it received from Complainant K. Davis. During the course of that investigation, DIFS' Staff discovered that Respondent Mack Shumate, unlicensed in the state of Michigan, submitted insurance applications on behalf of K. Davis.

5. Respondent's conduct as described above constitutes the sale, solicitation, negotiation, or any combination thereof of insurance. Respondent has thereby acted as an unlicensed insurance producer in violation of Section 1201a of the Code, MCL 500.1201a(1).

6. The above-described violations of Chapter 12 of the Code authorize the Director to issue a Cease and Desist Order pursuant to Section 251(1) of the Code, MCL 500.251(1).