

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

IN THE MATTER OF:

Department of Insurance and Financial Services,

Enforcement Case Nos.: 13-11855, 13-11897  
14-11935, 14-11936

Petitioner,

v

Jennifer Essak, Laurance Essak, LA Insurance  
Agency 100, LLC, LA Insurance Agency 117, LLC,  
LA Insurance Agency 179, LLC, Pierre Putruss, and  
Brandon Kiminaia,

Respondents.

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Issued and entered  
on March 6, 2018  
by Teri L. Morante  
Chief Deputy Director

**ORDER ACCEPTING STIPULATION**

Based upon the Stipulation to Entry of Order and the files and records of the Department of Insurance and Financial Services (DIFS) in this matter, the Chief Deputy Director finds and concludes that:

1. Pursuant to Executive Order 2013-1, all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of DIFS.
2. The Chief Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 (APA), as amended, MCL 24.201 *et seq.*, and the Michigan Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
3. Jennifer Essak (J. Essak) (System ID No. 0223900) is a licensed resident insurance producer.
4. Laurance Essak (L. Essak) (System ID No. 0454143) is a licensed resident insurance producer. He was not licensed for a portion of the relevant period of the above-captioned enforcement cases as he did not become licensed until January 25, 2013.
5. Pierre Putruss (Putruss) (System ID No. 0527266) is a licensed resident insurance producer.

6. Brandon Kiminaia (Kiminaia) (System ID No. 0643473) was licensed as a resident insurance producer on or about June 7, 2013. Kiminaia was unlicensed during the relevant periods of the above-captioned enforcement cases. Currently, Kiminaia does not possess an active insurance license.
7. LA Insurance Agency 100 (LA 100) (System ID No. 0071455) is a Michigan limited liability company and a licensed resident insurance agency with its principal place of business located at 4667 Washtenaw, Ann Arbor, MI 48108. It was located at 2498 Washtenaw Avenue, Ypsilanti, MI 48198 during the period relevant to the above-captioned enforcement cases and its Designated Responsible Licensed Producer (DRLP) was J. Essak.
8. LA Insurance Agency 117 (LA 117) (System ID No. 0078540) is a Michigan limited liability company and a licensed resident insurance agency with its principal place of business located at 420 E. Michigan Avenue, Ypsilanti, MI 48198. Its DRLP was J. Essak during the period relevant to the above-captioned enforcement cases.
9. LA Insurance Agency 179 (LA 179) (System ID No. 0088121) is a Michigan limited liability company and a licensed resident insurance agency with its principal place of business located at 2415 M21 Highway, Owosso, MI 48867. Its DRLP was J. Essak during the period relevant to the above-captioned enforcement cases.
10. LA 100, LA 117, and LA 179 are collectively herein referred to as the Agencies.
11. J. Essak, L. Essak, Putruss, Kiminaia, LA 100, LA 117, and LA 179 are collectively herein referred to as the Respondents.
12. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
13. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
14. All applicable provisions of the APA have been met.
15. Respondents neither admit nor deny the allegations contained in the Complaints nor the findings contained in this Order set forth below, but have agreed to the entry of this stipulated Order to fully resolve the above-captioned enforcement cases.
16. On May 3, 2011, DIFS received a complaint in which it was alleged that LA 179 was allowing unlicensed persons to engage in the business of insurance. Based on its investigation of this matter, DIFS finds as follows:
  - a. NSD is an ancillary, auto-related product that provides roadside assistance and towing to its members. The purchase of NSD is not required to purchase automobile insurance.
  - b. Between July 2012 and July 2013, Respondents sold multiple customers NSD without obtaining the customers' informed consent. The sale of NSD was accomplished on these

occasions by either falsely informing the customers that the purchase of NSD was required to purchase automobile insurance or by selling the NSD in a manner that made it appear as if it was included as part of the automobile insurance policy.

- c. Respondents LA 179, J. Essak, and Kiminaia either knew or should have known that Kiminaia was engaged in the sale of insurance at LA 179 prior to receiving an insurance license.
  - d. Respondents LA 179, J. Essak, and L. Essak either knew or should have known that L. Essak was engaged in the sale of insurance at LA 179 prior to receiving an insurance license.
17. Based on the foregoing findings, the Chief Deputy Director finds and concludes that Respondents have committed acts under the Code that provide justification for the Director to order licensing sanctions according to Sections 1239(1)(d), (1)(e), and (1)(h), 1239(3), and 1244(1)(a-d) of the Code, MCL 500.1239(1)(d), 500.1239(1)(e), 500.1239(1)(h), 500.1239(3), and 500.1244(1)(a-d).


Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

1. The Stipulation to Entry of Order is accepted in its entirety.
2. Respondent Brandon Kiminaia shall pay a civil fine of \$5000.00.
3. Respondent Jennifer Essak shall pay a civil fine of \$12,500.00 and her insurance license is suspended for a period of nine months commencing the day immediately following the issuance of this Order.
4. Respondent Pierre Putruss shall pay a civil fine of \$7,500.00 and his insurance license is suspended for a period of four months commencing immediately upon the completion of J. Essak's suspension.
5. Respondent Laurance Essak shall pay a civil fine of \$7,500.00 and his insurance license is suspended for a period of four months commencing immediately upon the completion of Putruss' suspension.
6. Respondent LA 179 shall pay a civil fine of \$12,500.00. Additionally, it shall provide restitution to all customers cited in the MAHS Complaint filed August 1, 2016 in this matter who purchased NSD at LA 179 and for whom a refund of the cost of the NSD has not been previously provided. The restitution shall consist of a refund of the purchase price of the NSD and must be provided to the customers within thirty days of the issuance of this Order. LA 179 will provide a full accounting to DIFS within 45 days of the signing of the Order as to its compliance with restitution, including the names of customers, amounts paid, and dates paid.
7. Respondent LA 100 shall pay a civil fine of \$5000.00. Additionally, it shall provide restitution to all customers cited in the MAHS Complaint filed August 1, 2016 in this matter who purchased NSD at LA 100 and for whom a refund of the cost of the NSD has not been previously provided. The restitution shall consist of a refund of the purchase price of the NSD and must be provided to the

customers within thirty days of the issuance of this Order. LA 100 will provide a full accounting to DIFS within 45 days of the signing of the Order as to its compliance with restitution, including the names of customers, amounts paid, and dates paid.

8. Respondent LA 117 shall pay a civil fine of \$5000.00. Additionally, it shall provide restitution to all customers cited in the MAHS Complaint filed August 1, 2016 in this matter who purchased NSD at LA 117 and for whom a refund of the cost of the NSD has not been previously provided. The restitution shall consist of a refund of the purchase price of the NSD and must be provided to the customers within thirty days of the issuance of this Order. LA 117 will provide a full accounting to DIFS within 45 days of the signing of the Order as to its compliance with restitution, including the names of customers, amounts paid, and dates paid.
9. Respondents shall collectively pay a total of \$5000.00 per month to satisfy the civil penalties set forth above until the total penalty of \$55,000.00 is satisfied. The first payment must be made within thirty days of the issuance of this Order. Respondents shall notify DIFS no later than the date of the first payment as to the order of allocation for the payments.
10. Respondents LA 100, 117, and 179 shall serve a one-year period of probation commencing the day immediately following the issuance of this Order. The terms of said probation are as follows:
  - a. The Agencies shall promptly report to DIFS any new investigations, administrative, civil and criminal proceedings, and consumer complaints (written or oral) brought or made against them or their agents. They shall provide to DIFS a copy of all pleadings, judgments, awards, orders, reports, or complaints associated with said matters. All disclosures and reports must be addressed to: Department of Insurance and Financial Services, Office of Insurance Licensing and Market Conduct, P.O. Box 30220, Lansing, MI 48909-7720;
  - b. They are prohibited from applying for or obtaining any new qualifications;
  - c. They are prohibited from applying for or obtaining any new insurance company appointments;
  - d. They are prohibited from applying for or obtaining any new insurance licenses that may otherwise be available to them under the Code; and
  - e. At DIFS' discretion, a market conduct examination of the Agencies may be conducted during the pendency of the probationary period.
11. With regard to the sale of NSD or any ancillary product at the Agencies that is not sold as part of a DIFS approved insurance policy, the Agencies:
  - a. Shall orally inform the customer that purchase of the ancillary product is not required in order to purchase insurance and that the purchase or failure to purchase the ancillary product has no impact on the cost of the insurance.

- b. Shall not include the price of the ancillary product when providing a quote for insurance. In other words, when a customer requests a quote for insurance, the price of the insurance alone must be given to the customer in the quote. Any quote for the ancillary product must be separate and apart from the quote for insurance and, as set forth in 11(a) above, at the time that the quote for the ancillary product is given, the customer must be orally informed that the purchase of the product is not required and that the decision of whether to purchase the product will not affect the cost of the insurance.
  - c. Shall provide separate receipts for the insurance and ancillary product and ensure that the ancillary product is sold in a separate transaction. All documents associated with the ancillary product must be clearly separated from the insurance documents and distributed to the customer separately from the distribution of the insurance documents. The receipt for the ancillary product must be placed at the top of any documents provided to the customer related to the ancillary product.
12. The Chief Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further orders as shall be deemed just, necessary, and appropriate in accordance with the Code. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order constitutes an independent violation of the Code, and may result in the commencement of additional proceedings that could impose additional penalties, including revocation of licensure.



Teri L. Morante  
Chief Deputy Director

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**STIPULATION TO ENTRY OF ORDER**

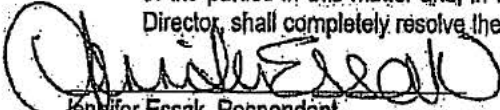
Petitioner DIFS and Respondents Jennifer Essak, Laurance Essak, LA Insurance Agency 100, LA Insurance Agency 117, LA Insurance 179, Pierre Putruss, and Brandon Kiminaia stipulate to the following:

1. On July 28, 2016, DIFS filed a complaint in Enforcement Case Number 13-11897 and on August 1, 2016, it filed complaints in Enforcement Case Numbers 13-11855, 14-11935, and 14-11936. Collectively, the complaints alleged that Respondents engaged in actions in violation of Sections 1201a(1) and 1207(1) of the Code, MCL 500.1201a(1) and 500.1207(1) and acts that gave rise to sanctions pursuant to Sections 1239(1)(d), (1)(e), and (1)(h), and 1239(3) of the Code, MCL 500.1239(1)(b), (1)(d), and (1)(h), and 500.1239(3). DIFS' factual assertions were essentially that Respondents sold their customers NSD, an ancillary product that is not required to be purchased, during insurance transactions without obtaining the informed consent of their customers. Moreover, it was alleged that Kiminaia and L. Essak engaged in the business of insurance during periods when they were unlicensed.
2. Without admitting to any of the allegations set forth above, Respondents have voluntarily consented to the entry of the Order Accepting Stipulation above.
3. Respondents understand that this Stipulation will be presented to the Chief Deputy Director for approval and the Chief Deputy Director may or may not approve and adopt it.
4. Respondents agree that the Chief Deputy Director has jurisdiction and authority to approve and adopt this Stipulation pursuant to the Code.

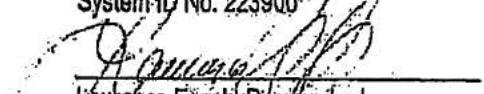
5. Respondents understand that, by agreeing to this Stipulation to Entry of Order, they are waiving the right, pursuant to the Code, the rules promulgated thereto, and the APA, to a hearing before an administrative law judge, at which DIFS would be required to prove the charges set forth by presentation of evidence and legal authority and at which Respondents would be entitled to appear, to cross-examine all witnesses presented by DIFS, and to present such testimony or other evidence or legal authority deemed appropriate as a defense to said charges.
6. Respondents waive any objection to the Director deciding this case following a MAHS hearing in the event the Stipulation to Entry of Order is not approved.

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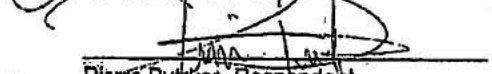
7. The parties agree that the Stipulation to Entry of Order represents the full and complete agreement of the parties in this matter and, in the event that the Stipulation is accepted by the Chief Deputy Director, shall completely resolve the enforcement cases captioned above.

  
Jennifer Essak, Respondent  
System ID No. 223900

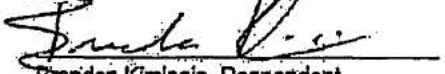
3/5/2018  
Date

  
Laurence Essak, Respondent  
System ID No. 0454743

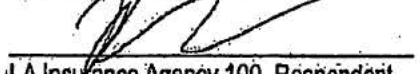
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Pierre Putruss, Respondent  
System ID No. 0527268

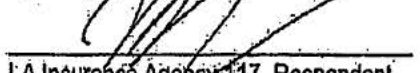
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Brandon Kiminaia, Respondent  
System ID No. 0643473

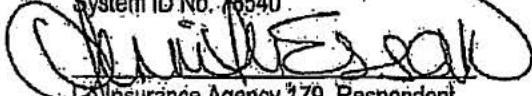
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LA Insurance Agency 100, Respondent  
System ID No. 71455


3-5-18  
Date

  
LA Insurance Agency 117, Respondent  
System ID No. 78540

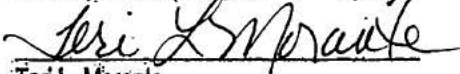
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LA Insurance Agency 179, Respondent  
System ID No. 88121

3/5/2018  
Date

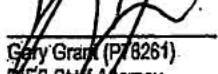
  
~~Kevin Blair (P76927)~~ John J. Rolecki  
Attorney for Respondents (P78460)

3/6/2018  
Date

  
Teri L. Morante  
Chief Deputy Director, DIFS

3/6/2018  
Date

DIFS Staff approve this Stipulation and recommend that the Chief Deputy Director accept it and issue an Order Accepting Stipulation.

  
Gary Grant (P78261)  
DIFS Staff Attorney

3-6-18  
Date