

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Allen P. Chadderdon
System ID No. 0260766

Enforcement Case No. 14-12269

Respondent.

_____ /

**Issued and entered
on March 6, 2015
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 the Department of Insurance and Financial Services (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. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
4. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
5. All applicable provisions of the APA have been met.
6. Respondent has given justification for sanctions pursuant to Section 1239(1)(d) of the Code, MCL 500.1239(1)(d) by misappropriating, or converting insurance premium received in the course of doing insurance business through a falsified underground storage tank (UST) insurance certificate scheme.

7. Respondent has given justification for sanctions pursuant to Section 1239(1)(f) of the Code, MCL 500.1239(1)(f) by being convicted of violating 18 U.S. C. §1519, a felony.
8. Respondent has given justification for sanctions pursuant to Section 1239(1)(h) of the Code, MCL 500.1239(1)(h) by using dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of insurance business by creating and selling falsified UST insurance certificates to gas station owners/operators throughout the state of Michigan and by collecting money for the falsified UST insurance certificates.

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

9. Respondent shall immediately cease and desist from operating in such a manner as to provide justification for sanctions under Section 1239(1)(d), (f), and (h), of the Code, MCL 500.1239(1)(d), (f), and (h).
10. Respondent's insurance producer license and authority are hereby **REVOKED**.
11. The Chief Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) 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 may result in the commencement of additional proceedings.


Teri L. Morante
Chief Deputy Director

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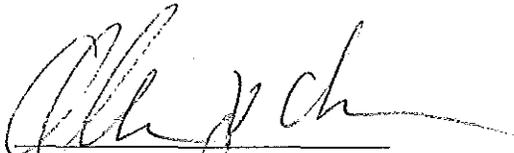
Allen P. Chadderdon

STIPULATION TO ENTRY OF ORDER

Allen P. Chadderdon (Respondent) stipulates to the following:

1. On or about December 29, 2014, the Department of Insurance and Financial Services (DIFS) served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent violated provisions of the Michigan Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
2. Specifically, the NOSC contained allegations that between January 2011 and October 2013, Respondent and another insurance producer created and sold falsified underground storage tank (UST) insurance certificates and made false documents available to gas station owners/operators throughout the state of Michigan. Respondent was convicted of violating 18 U.S. C. §1519, a felony, for his involvement in this scheme. These allegations provide justification for sanction pursuant to Section 1239(1)(d), (f), and (h) of the Code, MCL 500.1239(1)(d), (f), and (h).
3. Respondent exercised the right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
4. Respondent failed to show compliance with the Code.
5. At all pertinent times, Respondent was licensed with DIFS as a resident insurance producer pursuant to the Code.
6. All parties have complied with the procedural requirements of the APA and the Code.
7. Respondent admits to the allegations contained in the NOSC.
8. Respondent agrees to the revocation of his insurance producer license.
9. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.

10. The Chief Deputy Director may, in her sole discretion, decide to accept or reject this Stipulation to Entry of Order. If the Chief Deputy Director accepts the Stipulation to Entry of Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Order Accepting Stipulation. If the Chief Deputy Director does not accept the Stipulation to Entry of Order, Respondent waives any objection to the Director holding a formal administrative hearing and making her decision after such hearing.
11. Respondent has had an opportunity to review this Stipulation to Entry of Order and the proposed Order Accepting Stipulation and have the same reviewed by legal counsel.


Allen P. Chadderdon
System ID No. 0260766

2-27-2015
Date

DIFS Staff approve this stipulation and recommend that the Chief Deputy Director issue the above Order.


William R. Peattie (P48004)
DIFS Staff Attorney

3/3/15
Date