

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of Insurance and Financial Services

Tracey Arminjo,

Petitioner,

v

Case No. 18-1027-L  
Docket No. 18-019069

Department of Insurance and  
Financial Services,  
Respondent.

\_\_\_\_\_ /

For the Petitioner:

Tracey Arminjo  


\_\_\_\_\_ /

For the Respondent:

Conrad L. Tatnall (P69785)  
DIFS Enforcement Division  
530 W. Allegan St., 7<sup>th</sup> Floor  
P.O. Box 30220  
Lansing, MI 48909

Issued and entered  
this 2<sup>nd</sup> day of February 2019  
by Randall S. Gregg  
Special Deputy Director

**FINAL DECISION**

Administrative Law Judge Christopher S. Saunders issued a Proposal for Decision (PFD) dated December 13, 2018. He recommended that the Director issue a final decision consistent with the Findings of Fact and Conclusions of Law as outlined in his Proposal for Decision. The factual findings in the PFD are in accordance with the preponderance of the evidence and the conclusions of law are supported by reasoned opinion. Neither party filed exceptions. Michigan courts have long recognized that the failure to file exceptions constitutes a waiver of any objections not raised. *Attorney General v. Public Service Com'n*, 136 Mich App. 52 (1984).

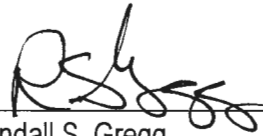
## ORDER

Therefore, it is ORDERED that:

1. The PFD is adopted and made part of this final decision.
2. Respondent's Notice of License Denial is affirmed.

Anita G. Fox  
Director

For the Director:

A handwritten signature in black ink, appearing to read 'R. S. Gregg', is written over a horizontal line.

Randall S. Gregg  
Senior Deputy Director

STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

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IN THE MATTER OF:

Docket No.: 18-019069

DIFS/OGC

Tracey Arminjo,  
Petitioner

Case No.: 18-1027-L

v

Agency: Department of Insurance  
and Financial Services

Department of Insurance and  
Financial Services,  
Respondent

Case Type: DIFS-Insurance

Filing Type: Appeal / License Denial

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Issued and entered  
this 5<sup>th</sup> day of December 2018  
by: Christopher S. Saunders  
Administrative Law Judge

**PROPOSAL FOR DECISION**

**PROCEDURAL HISTORY**

On March 29, 2018, the Department of Insurance and Financial Services (DIFS/Respondent) issued a Notice of License Denial and Opportunity for Hearing asserting that Tracey Armijo (Petitioner) did not meet criteria for licensure as a resident insurance producer under the Michigan Insurance Code of 1956, as amended, (Code) MCL 500.100 *et seq.* Petitioner requested a hearing to appeal the denial.

On October 4, 2018, a Notice of Hearing was issued scheduling a formal administrative hearing for November 20, 2018. The Notice of Hearing was sent to Petitioner via certified mail return receipt requested at her last known address of 52096 Baker Road, Chesterfield, MI 48047. Petitioner signed for the delivery of the Notice of Hearing on October 15, 2018.

On November 20, 2018, at the time scheduled for the hearing, Attorney Conrad Tatnall appeared on behalf of DIFS. Petitioner did not appear nor did an attorney on her behalf. The undersigned Administrative Law Judge deemed that Petitioner had been duly served with notice, and the hearing could proceed in her absence pursuant to Section 72 of the Administrative Procedures Act, 1969 PA 306, as amended, (APA) MCL 24.201 *et seq.* Attorney Tatnall requested a default be entered pursuant to Section 78 of the APA. The undersigned Administrative Law Judge granted Respondent's request for a default. As Respondent's request for default was granted, the allegations contained in

the March 29, 2018, Notice of License Denial and Opportunity for Hearing are deemed true as alleged.

**ISSUES AND APPLICABLE LAW**

The issue is whether denial of Petitioner's application for licensure is appropriate pursuant to Code Sections 1205 and 1239; MCL 500.1205, MCL 500.1239, which, in pertinent part, state:

Sec. 1205.

(1) A person applying for a resident insurance producer license shall file with the commissioner the uniform application required by the commissioner and shall declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. An application for a resident insurer producer license shall not be approved unless the commissioner finds that the individual meets all of the following:

(b) Has not committed any act listed in section 1239(1).

Sec. 1239.

(1) In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

**FINDINGS OF FACT**

1. On February 16, 2018, Petitioner submitted an application to become licensed as a resident insurance producer in the State of Michigan.
2. On her application, Petitioner responded “yes” to the question, “Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?”
3. On February 3, 2016, Respondent entered an Order Accepting Stipulation, finding that Petitioner had violated MCL 500.1239(1)(h).
4. The Order Accepting Stipulation was based on Petitioner misrepresenting herself as an insured individual for purposes of obtaining that individual’s insurance policy declarations.
5. Petitioner was placed on probation for one year, ordered to pay a civil fine of \$1,000.00, and required to take an additional 3 credits of continuing education in ethics.
6. Petitioner failed to pay the fine within the required timeframe and failed to take the required additional 3 credits of continuing education in ethics.
7. Between the time the Order Accepting Stipulation was entered and Petitioner’s application for licensure in question, her license lapsed.

**CONCLUSIONS OF LAW**

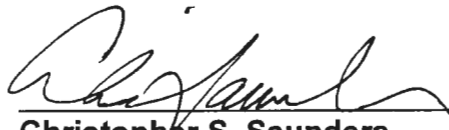
Petitioner bears the burden of proving that she meets the requirements for licensure under the Code. The facts asserted in Respondent’s Notice of License Denial and Opportunity for Hearing are deemed true as alleged pursuant to the default granted because of Petitioner’s failure to attend the hearing. The above Findings of Fact establish the use of dishonest practices by Petitioner. Therefore, pursuant to Code Sections 1205(1)(b) and 1239(1)(h), Respondent’s Notice of License Denial should be **AFFIRMED**.

18-019069

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**PROPOSED DECISION**

The undersigned Administrative Law Judge recommends that the department director issue a final decision consistent with the above Findings of Fact and Conclusions of Law.



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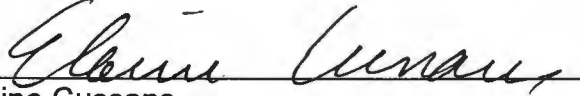
**Christopher S. Saunders**  
**Administrative Law Judge**

**EXCEPTIONS**


Any Exceptions to this Proposal for Decision should be filed in writing within twenty-one (21) days of the issuance of this Proposal for Decision. An opposing party may file a response within fourteen (14) days after Exceptions are filed. All Exceptions and Responses to Exceptions must be filed with the Department of Insurance and Financial Services, Division of Insurance, Attention: Dawn Kobus, P.O. Box 30220, Lansing, Michigan 48909, and served on all parties to the proceeding.

**PROOF OF SERVICE**

I hereby state, to the best of my knowledge, information and belief, that a copy of the foregoing document was served upon all parties and/or attorneys of record in this matter by Inter-Departmental mail to those parties employed by the State of Michigan and by UPS/Next Day Air, facsimile, and/or by mailing same to them via first class mail and/or certified mail, return receipt requested, at their respective addresses as disclosed below this 13<sup>th</sup> day of December 2018.

  
Elaine Cussans  
Michigan Administrative Hearing System

Conrad L. Tatnall  
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Department of Insurance and Financial Services  
MAHS Hearing Coordinator  
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Tracey Arminjo  
