

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Before the Director of the Department of Insurance and Financial Services

In the matter of:

David Beardsley
System ID No. 0616188

Enforcement Case No. 17-15030

Donald Beardsley
System ID No. 0060650

Donald G. Beardsley Insurance Agency
System ID No. 0010073

Respondents.

Issued and entered
on July 2, 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. Donald G. Beardsley Insurance Agency (System ID No. 0010073) (hereinafter Agency) is a licensed resident insurance agency producer. Its principal place of business is located at 26455 W Eight Mile Road, Redford, MI 48240.
4. David Beardsley (System ID No. 0616188) is a licensed resident insurance producer and worked for the Agency as an insurance producer during the period relevant to the above-captioned enforcement case.
5. Donald Beardsley (System ID No. 0060650) is a licensed resident insurance producer and served as a Designated Responsible Licensed Producer (DRLP) for the Agency during the period relevant to the above-captioned enforcement case.

6. The Agency, David Beardsley, and Donald Beardsley are collectively herein referred to as the Respondents.
7. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
8. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
9. All applicable provisions of the APA have been met.
10. Respondents neither admit nor deny the allegations contained in the Notice of Opportunity to Show Compliance (NOSC) nor the findings contained in this Order set forth below, but have agreed to the entry of this Order to fully resolve the above-captioned enforcement case.
11. Based on its investigation of the above-captioned enforcement case, DIFS finds as follows:
 - a. Respondent David Beardsley failed to fully explain the terms and conditions of customer BW's insurance policy to her and improperly signed BW's name to an insurance application and certificate of insurance. BW's transaction took place in conjunction with her purchase of a motor vehicle at an automobile dealership. She wished to obtain insurance so that she could legally drive the motor vehicle away from the dealership. Although Beardsley was the agent of record, he was located off-site from the dealership, never met or spoke with BW, and signed BW's name to both the insurance application and the certificate of insurance.
 - b. Respondent David Beardsley failed to fully explain the terms and conditions of customer MT's insurance policy to her and improperly signed MT's name to an insurance application and certificate of insurance. MT's transaction took place in conjunction with her purchase of a motor vehicle at an automobile dealership. She wished to obtain insurance so that she could legally drive the motor vehicle away from the dealership. Although Beardsley was the agent of record, he was located off-site from the dealership, never met or spoke with MT, and signed MT's name to both the insurance application and the certificate of insurance.
 - c. Respondents Donald Beardsley and Donald G. Beardsley Insurance Agency were negligent by allowing David Beardsley to engage in the conduct described above.
12. 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)(h), (3) and 1244(1)(a-d) of the Code, MCL 500.1239(1)(h), (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 and all agreements contained therein are accepted in their entirety.

2. Respondent Donald Beardsley Insurance Agency shall pay a civil fine of \$500.00 within thirty days of the issuance of a DIFS invoice for said amount.
3. Respondent David Beardsley shall pay a civil fine of \$2500.00 within thirty days of the issuance of a DIFS invoice for said amount.
4. Respondent Donald Beardsley shall pay a civil fine of \$500.00 within thirty days of the issuance of a DIFS invoice for said amount.
5. 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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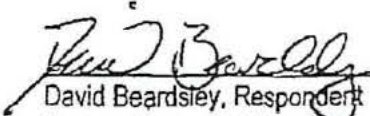
STIPULATION TO ENTRY OF ORDER

Petitioner Department of Insurance and Financial Services (DIFS) and Respondents David Beardsley, Donald Beardsley, and Donald G. Beardsley Insurance Agency stipulate to the following:

1. On or about April 23, 2018, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) in the above-captioned enforcement case. DIFS alleged that Respondents engaged in actions that gave rise to sanctions under Section 1239(1)(h) of the Code, MCL 500.1239(1)(h). DIFS' factual assertions were essentially that Respondent David Beardsley sold insurance policies to customers without fully explaining the terms and conditions of the policies to them. Although the customers wished to purchase insurance, Beardsley never spoke with them or saw them and signed their names to insurance applications and certificates of insurance.
2. Moreover, with respect to Donald Beardsley and Donald G. Beardsley Insurance Agency, it was alleged that they were negligent by allowing David Beardsley to engage in such conduct.
3. Respondent Donald Beardsley is an officer and owner of Respondent Donald G. Beardsley Insurance Agency and has the authority to enter into binding agreements on behalf of Donald G. Beardsley Insurance Agency.
4. Without admitting to any of the allegations set forth above, Respondents have voluntarily consented to the entry of the Order Accepting Stipulation above.
5. 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.
6. Respondents agree that the Chief Deputy Director has jurisdiction and authority to approve and adopt this Stipulation pursuant to the Code.
7. 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

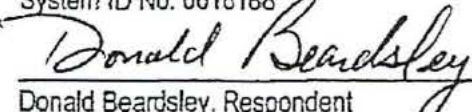
administrative law judge, at which DIFS would be required to prove the charges set forth by presentation of evidence and legal authority and at which Respondents would be entitled to appear, to cross-examine all witnesses presented by DIFS, and to present such testimony or other evidence or legal authority deemed appropriate as a defense to said charges.

8. 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.
9. 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 case captioned above.



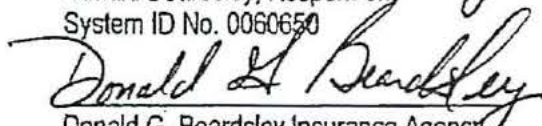
David Beardsley, Respondent
System ID No. 0616188

6/5/2018
Date



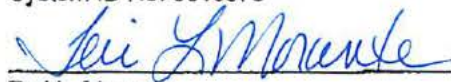
Donald Beardsley, Respondent
System ID No. 0060650

6/12/2018
Date



Donald G. Beardsley Insurance Agency
System ID No. 0010073

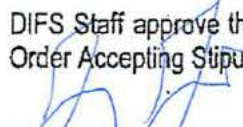
6/12/2018
Date



Teri L. Morante
Chief Deputy Director, DIFS

July 2, 2018
Date

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



Gary Grant (P76261)
DIFS Staff Attorney

6-12-18
Date