

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

Paris D. Boyce,

Petitioner,

Case No. 20-1056-M

Docket No. 20-017631

v

Michigan Automobile Insurance  
Placement Facility,

Respondent.

**For the Petitioner:**

Paris D. Boyce  
PBD Investments & Insurance Agency  
24333 Southfield Rd., Ste. 106  
Southfield, MI 48075  
Email: parisdboyce@pbdinvestments.com

**For the Respondent:**

Lori McAllister  
Dykema Gossett PLLC  
201 Townsend St., Ste. 900  
Lansing, MI 48933  
Email: LMcAllister@dykema.com

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Issued and entered  
this 16<sup>th</sup> day of July 2021  
by Anita G. Fox  
Director

**FINAL DECISION**

**I. BACKGROUND**

This matter concerns a disqualification action initiated on January 6, 2020, by the Michigan Automobile Insurance Placement Facility (MAIPF), and the MAIPF Board's conclusion that, because Mr. Boyce (Petitioner) persistently violated MAIPF rules, he was subject to disqualification from serving as an insurance producer for the MAIPF.<sup>1</sup> See MCL 500.3355(2). Following Petitioner's appeal before the MAIPF

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<sup>1</sup> See Certified Record, Item No. 3, Exhibits R-S and R-U.

Board's designee, the disqualification decision was upheld and effective for a period of 36 months, commencing February 10, 2020.<sup>2</sup> At all relevant times, Petitioner was licensed to engage in the business of insurance in the state of Michigan.

Pursuant to Petitioner's request under Section 3355(4) of the Code, MCL 500.3355(4), to have his appeal of the MAIPF's decision reviewed by the Director of the Department of Insurance and Financial Services (DIFS), a telephonic contested case hearing occurred on January 12, 2021.<sup>3</sup> Petitioner represented himself at the hearing; the MAIPF was represented by counsel, Ms. McAllister. At the conclusion of the hearing, the record was left open until March 11, 2021, for the submission of written closing arguments. Both parties submitted closing arguments.

On May 19, 2021, Administrative Law Judge Stephen Goldstein (Judge Goldstein) issued a Proposal for Decision (PFD). In the PFD, Judge Goldstein ruled in favor of Respondent MAIPF and affirmed MAIPF's disqualification decision. Judge Goldstein asks DIFS' Director to issue a final order consistent with his conclusion. Judge Goldstein based his recommendation on the pleadings, oral argument, and documentary evidence presented by the parties in support of their respective positions. The factual findings in Judge Goldstein's PFD are in accordance with the preponderance of the evidence and the conclusions of law are supported by reasoned opinion.

## **II. EXCEPTIONS**

Pursuant to the PFD, the parties had until June 9, 2021, to file exceptions to the PFD. On June 9, 2021, Petitioner filed his Exceptions to the PFD. Petitioner's Exceptions consisted solely of questions that the Petitioner describes as previously "unanswered questions"<sup>4</sup> and allegations that the MAIPF suspended him primarily due to old and allegedly previously addressed misconduct. Petitioner did not include any

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<sup>2</sup> See PFD, p 10.

<sup>3</sup> See Certified Record, Item No. 3.

<sup>4</sup> See Petitioner's Exceptions, p 1.

specific argument or evidence pertaining to the conclusions set forth in the PFD, nor did he refute the actual misconduct at issue which formed the basis for the disqualification. Petitioner's requested relief consists of a referral to Michigan's Ethics Board, his immediate reinstatement with Respondent MAIPF backdated to July 24, 2019, as well as monetary compensation. On June 23, 2021, the MAIPF filed a Response to Petitioner's Exceptions in which the MAIPF reiterated the evidence concerning Petitioner's failure to follow the MAIPF's rules when producing business and requested that the Director adopt the PFD in its entirety. On July 7, 2021, Petitioner responded to the MAIPF's Response to Petitioner's Exceptions.

### **III. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The Findings of Fact in the May 19, 2021, Proposal for Decision are adopted and made a part of this Final Decision, subject to the following modification:

1. On page 2, paragraph 4, of the PFD the following sentence: "The January 12, 2012, hearing commenced as scheduled" shall be deemed changed to: "The January 12, 2021, hearing commenced as scheduled."

With the above minor modification, the PFD's Findings of Fact and Conclusions of Law are adopted, made part of this Final Decision, and the Conclusions of Law restated, as follows:

1. Respondent MAIPF presented extensive and credible evidence that the Petitioner was engaged in conduct that persistently violated the MAIPF's Plan of Operations and internal policies.
2. Petitioner acknowledged he violated the MAIPF's Plan of Operations and guidelines.
3. Petitioner produced no documented evidence refuting the MAIPF's specific allegations and/or refuting why those allegations support disqualification.
4. A preponderance of the evidence presented clearly demonstrates that, following his 2018 reinstatement as a MAIPF producer, Petitioner continued to violate the MAIPF's Plan of Operations and guidelines.

5. Respondent MAIPF's Notice of Disqualification pertaining to Petitioner is warranted and should be affirmed.

#### IV. ORDER

Therefore, it is ORDERED that:

1. The PFD is adopted, subject to the above minor factual modification, and made part of this Final Decision.
2. Petitioner persistently violated the MAIPF's rules contained in MAIPF's Plan of Operations.
3. Respondent MAIPF's decision disqualifying Petitioner as a producer for the MAIPF is affirmed.

  
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Anita G. Fox  
Director

**STATE OF MICHIGAN  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES**

**IN THE MATTER OF:**

**Docket No.: 20-017631**

**Paris D. Boyce,  
Petitioner**

**Case No.: 20-1056-M**

**v**

**Agency: Department of Insurance  
and Financial Services**

**Michigan Automobile Insurance  
Placement Facility,  
Respondent**

**Case Type: DIFS-Insurance**

**Filing Type: Disqualification**

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**Issued and entered  
this 19<sup>th</sup> day of May 2021  
by Stephen B. Goldstein  
Administrative Law Judge**

**PROPOSAL FOR DECISION**

**Procedural History**

This proceeding is held pursuant to Chapter 33 of the Michigan Insurance Code, MCL 500.3301 *et seq.* (Code), the Administrative Procedures Act, MCL 24.272 *et seq.* (APA), and the Michigan Administrative Hearing System Rules, Mich Admin Code, R 792.10101 (Hearing Rules).

On January 6, 2020, the Michigan Automobile Insurance Placement Facility (MAIPF, Facility, or Respondent) issued a Notice of Disqualification (Notice), alleging that Paris D. Boyce (Petitioner) persistently violated MAIPF rules and as a result is disqualified from being a qualified insurance producer.

On September 10, 2020, this matter was referred to the Michigan Office of Administrative Hearings and Rules (MOAHR) to schedule a contested case hearing, pursuant to MCL 500.3355(4).

On September 10, 2020, MOAHR issued a Notice of Hearing scheduling a hearing for November 9, 2020.

On October 1, 2020, Respondent requested that a telephone prehearing conference be scheduled prior to the November 9, 2020, hearing date and/or that the tribunal issue an order setting forth deadlines for the exchange of witness/exhibit lists and exhibits.

On October 1, 2020, the tribunal issued an Order converting the November 9, 2020, hearing to a prehearing conference, pursuant to Mich Admin Code, R 792-10114. The November 9, 2020, prehearing conference was held as scheduled.

On November 10, 2020, the tribunal issued an Order Following Telephone Prehearing Conference, scheduling the contested case hearing for January 12, 2021.

The January 12, 2021, hearing commenced as scheduled. Petitioner represented himself. Respondent was represented by Lori McAllister, Attorney at Law. Following the conclusion of proofs, the record was left open until February 26, 2021, for the submission of the hearing transcript as well as written closing arguments.

On February 11, 2021, Petitioner filed a request for an extension of time to submit his written closing argument. Respondent posed no objections. Therefore, the tribunal issued an order on February 12, 2021, extending the closing of the record to March 11, 2021.

The parties timely filed written closing arguments, as well as the official hearing transcript, and the record was closed on March 11, 2021.

**Issue(s)**

Has Petitioner persistently violated MAIPF rules, as alleged by the Respondent's January 6, 2020 Notice, and if so, should the Respondent's disqualification of Petitioner as a Qualified Insurance Producer be affirmed?

**Applicable Law**

**MCL 500.3355 provides in relevant part:**

Sec. 3355. (1) Every agent who is authorized to solicit, negotiate, or effect automobile insurance on behalf of any participating member shall:

- (a) Offer to place automobile insurance through the facility for any qualified applicant requesting the agent to do so.

(b) If the qualified applicant accepts the offer in subdivision (a), forward the application and any deposit premium required in accordance with the plan of operation, rules, and procedures of the facility.

(c) Be entitled to receive, and any participating member be entitled to pay, a commission for placing insurance through the facility at the uniform rates of commission as provided in the plan of operation.

(2) The facility may disqualify an agent from placing automobile insurance through the facility if the agent persistently violates the facility's rules contained in the facility's plan of operation. The facility shall notify the agent of his or her disqualification in the manner prescribed in the plan of operation. If an agent is disqualified under this section, the facility shall notify the commissioner of the disqualification.

(3) An agent may submit a written request for a hearing before the facility's board of governors or its designee not later than 10 business days after the notice of disqualification is issued. If a written request for a hearing is received, the agent's disqualification shall be suspended pending a ruling by the board of governors. The board of governors or its designee shall hold a hearing not later than 10 business days after receipt of the written request for a hearing. The board of governors or its designee shall issue a ruling not later than 5 business days after the hearing and shall notify the commissioner of the ruling. A ruling of disqualification by the board of governors or its designee shall take effect 5 calendar days after the date of the ruling.

(4) A ruling of disqualification by the facility's board of governors or its designee may be appealed to the commissioner by filing a written notice of appeal with the facility and the commissioner within 30 calendar days after the date of the ruling. A disqualification ruling shall remain effective during the appeal process to the commissioner. Upon receipt of an appeal, the commissioner or his or her designee shall provide a hearing under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and shall approve, disapprove, or direct the board of governors or its designee to reconsider its ruling.

(5) On and after the effective date of a disqualification, the disqualified agent shall not do any of the following during the period of disqualification:

(a) Solicit, negotiate, or effect automobile insurance on behalf of any participating member through the facility.

(b) Submit new applications to the facility.



(c) Service any existing facility policies except as permitted by the facility's user manual under procedures for disqualified agents.

(d) Be entitled to compensation for either new business applications or renewals.

(e) Obtain any binders or other supplies from the facility. Existing binders or other supplies shall be surrendered to the facility upon request.

(6) A disqualification under this section does not affect the disqualified agent's authority to place automobile insurance through an authorized insurer in the voluntary market.

(7) The facility shall amend its plan of operation to establish standards and procedures for disqualifying an agent from placing automobile insurance through the facility. These standards and procedures shall contain at least all of the following:

(a) The actions or inactions that may lead to an agent's disqualification.

(b) Standards and procedures under which an agent may petition the facility for removal of the disqualification.

(c) That written notification must be sent to an agent that has been disqualified that includes at least all of the following:

(i) The reasons for the disqualification.

(ii) The procedure to be followed to appeal the disqualification to the board of governors or its designee.

(iii) The conditions and procedures under which the agent can petition the facility for the removal of the disqualification.

(d) A procedure under which the disqualified agent may appeal the disqualification to the facility's board of governors, or its designee, that protects the interests of both the agent and the facility. This procedure shall include the opportunity for the agent, upon request and payment of a reasonable copying charge, to receive any information pertinent to the disqualification.

(e) A notice to the disqualified agent after the board of governors' or designee's ruling as to how the agent may appeal that ruling to the commissioner or his or her designee if the agent disagrees with the ruling.



**Summary of Exhibits**

**PETITIONER EXHIBITS**

The Petitioner offered the following exhibits, all of which were admitted into evidence:

<u>Petitioner Exhibit 1</u>	Notice of 1 <sup>st</sup> disqualification
<u>Petitioner Exhibit 2</u>	First written request for hearing
<u>Petitioner Exhibit 3</u>	Second written request for hearing
<u>Petitioner Exhibit 4</u>	Third written request for hearing
<u>Petitioner Exhibit 5</u>	██████████ email to Petitioner
<u>Petitioner Exhibit 6</u>	Notice of 2 <sup>nd</sup> disqualification
<u>Petitioner Exhibit 7</u>	Written request for hearing to appeal second disqualification.
<u>Petitioner Exhibit 8</u>	Hearing Agenda
<u>Petitioner Exhibit 9</u>	Letter from Petitioner to MAIPF at informal hearing
<u>Petitioner Exhibit 10</u>	MAIPF Board of Governors Ruling
<u>Petitioner Exhibit 11</u>	Letter from ██████████ to Petitioner
<u>Petitioner Exhibit 12</u>	Petitioner response letter to ██████████
<u>Petitioner Exhibit 13</u>	MAIPF newsletter email

**RESPONDENT EXHIBITS**

The Respondent offered the following exhibits, all of which were admitted into evidence:

<u>Respondent Exhibit A</u>	Producer Disqualification Letter
<u>Respondent Exhibit B</u>	Investigation Findings
<u>Respondent Exhibit C</u>	Boyce Rebuttals to Violations

<u>Respondent Exhibit D</u>	MAIPF Presentation to Producer Performance Committee
<u>Respondent Exhibit E</u>	Exhibits for Producer Performance Committee
<u>Respondent Exhibit F</u>	August 29, 2018 Hearing Minutes
<u>Respondent Exhibit G</u>	MAIPF initial decision letter
<u>Respondent Exhibit H</u>	MAIPF final decision letter
<u>Respondent Exhibit I</u>	Disqualification reinstatement letter
<u>Respondent Exhibit J</u>	July 10, 2019 disqualification notice letter
<u>Respondent Exhibit K</u>	July 18, 2019 Producer Performance Committee meeting agenda
<u>Respondent Exhibit L</u>	MAIPF Paris Boyce summary
<u>Respondent Exhibit M</u>	Invalid certificates of insurance from the MI Secretary of State
<u>Respondent Exhibit N</u>	Paris Boyce 7-day policy letter
<u>Respondent Exhibit O</u>	Invalid signatures and date example
<u>Respondent Exhibit P</u>	Questionable applicant signatures
<u>Respondent Exhibit Q</u>	Printing on MAIPF certificates
<u>Respondent Exhibit R</u>	Producer Performance Committee meeting minutes (July 18, 2019)
<u>Respondent Exhibit S</u>	January 6, 2020 disqualification letter
<u>Respondent Exhibit T</u>	February 4, 2020 Producer Committee Appeal Hearing minutes
<u>Respondent Exhibit U</u>	February 4, 2020 MAIPF appeal decision
<u>Respondent Exhibit V</u>	MAIPF Plan of Operation

### **Findings of Fact**

Based on a preponderance of the evidence, the tribunal finds, as material fact:

1. The Respondent is a 501(C)(6) non-profit organization operating as the residual market for automobile insurance in the state of Michigan. It writes automobile insurance for those individuals who require automobile insurance but are unable to obtain it from the voluntary market.<sup>1</sup>
2. The Respondent is governed by a Plan of Operation,<sup>2</sup> which is adopted by its Board of Governors, approved by the member insurers, and approved by the Director of the Michigan Department of Insurance and Financial Services (DIFS).<sup>3</sup>
3. Under Michigan law and MAIPF's Plan of Operation and guidelines, to submit business as a Qualified Producer, one must be a licensed insurance producer in the state of Michigan. Once accepted by MAIPF, a Producer receives training and is examined regarding appropriate behaviors and practices while conducting insurance business in the state of Michigan. MAIPF also provides its Producers with a rate and rule manual, as well as a Producer violation guide that provides information regarding acceptable conduct.<sup>4</sup>
4. At all times relevant to the Respondent's Notice, the Petitioner was a licensed and qualified insurance producer.
5. The Respondent provides its qualified producers with resources to assist them in submitting business to the MAIPF. Those resources include the Rate and Rule manuals, as well as a producers' guide and producers' violation guide, all of which can be accessed on its website.<sup>5</sup>
6. On August 16, 2018, the Respondent sent the Petitioner a letter notifying him that, due to continuing violations of Respondent's rules and policies, he was disqualified as a qualified producer and therefore could not submit any new business or receive commission through Facility business.<sup>6</sup>

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<sup>1</sup> January 12, 2021 hearing transcript, p. 18

<sup>2</sup> Respondent Exhibit V

<sup>3</sup> MCL 500.3310(2), (3)

<sup>4</sup> January 12, 2021 hearing transcript, pp. 61-62

<sup>5</sup> January 12, 2021 hearing transcript, pp. 21-22; [www.maipf.org](http://www.maipf.org)

<sup>6</sup> Respondent Exhibit A

7. The August 16, 2018, notification details the alleged violations as follows:

- The Petitioner submitted 39 applications in which the zip codes used for premium rating purposes were incorrect by 1 digit, resulting in significantly lower premium rates associated with the application. These actions were considered a serious and flagrant violation according to the MAIPF Producer Violations Guideline.
- The Petitioner submitted copies of certificates of insurance that were not the approved Facility certificates of insurance (MAIPF-01). These actions were considered a serious and flagrant violation.
- Applications submitted by the Petitioner to MAIPF included “self-made” checks from his agency. These “checks” were subsequently dishonored due to insufficient funds. These actions were considered a serious and flagrant violation.
- The Petitioner submitted two applications in which the registrations provided as proof of ownership had expired in 2017. According to MAIPF guidelines, proof of ownership in the form of a registration can be no older than 90 days old. The Petitioner also submitted one registration which was illegible, one application missing ownership documentation and one application with a private sale title that was not signed.
- The Petitioner submitted three applications beyond the 1 business day as outlined in various MAIPF manuals and guidelines.
- The Petitioner submitted six applications where all registered owners were not listed on the application. According to MAIPF guidelines, all such information regarding all registered owners must be provided and failure to do so constitutes a producer guideline violation.
- The Petitioner submitted one application rated with the Excess PIP discount when the underlying medical coverage was Medicare. According to MAIPF guidelines, selection of excess personal injury protection (PIP) is not a valid selection if applicant has Medicare of Medicaid.

8. On August 29, 2018, a Producer Disqualification Hearing was held before the Respondent’s Producer Performance Review Committee (PPRC) for its

consideration of disqualifying the Petitioner as a Producer. The Petitioner appeared and acknowledged full responsibility for the violations, promising the Respondent that none of its guidelines would be violated again. Based on the evidence presented during that hearing,<sup>7</sup> the Petitioner's disqualification was upheld.<sup>8</sup>

9. On September 12, 2018, the Respondent issued the Petitioner a notice confirming his disqualification as a Producer for six months, effective September 12, 2018, with a requirement that he apply for reinstatement.<sup>9</sup>
10. On October 9, 2018, the Respondent sent the Petitioner a notice indicating that it was reversing the disqualification and reinstating the Petitioner as a Producer due to concerns that some of its processes in reaching the disqualification decision did not satisfy the standards of its guiding document.<sup>10</sup>
11. Following the Petitioner's reinstatement, the Respondent continued to monitor his conduct, for the period from October 9, 2018, through July 11, 2019. It found 110 infractions of MAIPF's rules (70 violations and 40 deficiencies).<sup>11</sup>
12. The MAIPF's findings with respect to its October 9, 2018 – July 11, 2019, examination include:
  - The Petitioner continued to use non-MAIPF forms to be submitted to the Secretary of State, as reported to the MAIPF by the Secretary of State.<sup>12</sup>
  - 44 Certificates of Insurance were issued on invalid MAIPF forms.<sup>13</sup>
  - 7-day policies continued to be issued by the agency.<sup>14</sup>
  - The Petitioner provided documents to customers that were predated for the future or had identical issue and cancellation dates.<sup>15</sup>
  - Documents appeared to be doctored.<sup>16</sup>

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<sup>7</sup> Respondent Exhibit C; January 12, 2021 hearing transcript, p. 32

<sup>8</sup> Respondent Exhibit F

<sup>9</sup> Respondent Exhibit H

<sup>10</sup> Respondent Exhibit I; January 12, 2021 hearing transcript, pp. 38-39

<sup>11</sup> Respondent Exhibit L; January 12, 2021 hearing transcript, pp. 46-48

<sup>12</sup> Respondent Exhibit M, Q

<sup>13</sup> Respondent Exhibit M

<sup>14</sup> Respondent Exhibit N

<sup>15</sup> Respondent Exhibit O; January 12, 2021 hearing transcript, pp. 53-55

<sup>16</sup> Respondent Exhibits O, P, Q; January 12, 2021 hearing transcript, pp. 54-56

13. On July 10, 2019, the Respondent issued to the Petitioner a Notification of Escalation to MAIPF Board due to ongoing concerns regarding his performance and the receipt of concerning information relative to his placement of business with the MAIPF. The notification suspended the Petitioner's access to the MAIPF rating and application tools but did not disqualify him as a Producer at that time.<sup>17</sup>
14. At a July 18, 2019, meeting, the Petitioner's performance and activities were brought before the PPRC). The PPRC reviewed evidence that the Petitioner resumed submitting business through the Facility shortly after his October 2018 reinstatement, and that he continued to submit applications and supporting materials which violated both MAIPF rules and Michigan law. The PPRC unanimously decided to disqualify the Petitioner for 36 months.<sup>18</sup>
15. On January 6, 2020, the Respondent) issued the subject Notice, alleging that the Petitioner has persistently violated MAIPF rules and as a result would be disqualified from being a qualified insurance producer for a period of 36 months, effective January 21, 2020.<sup>19</sup>
16. The Petitioner appealed the PPRC's decision to the MAIPF Board. On February 4, 2020, a hearing convened at which the Petitioner appeared and offered only a letter but no statements.<sup>20</sup>
17. On February 10, 2020, the Board sent the Petitioner a notice upholding the disqualification, effective February 15, 2020.<sup>21</sup>

### **Analysis and Conclusions of Law**

The principles that govern judicial proceedings also apply to administrative hearings.

Here, neither MCL 500.3355 nor applicable hearing rules specifically assign the burden of proof to either party. As such, the tribunal did not specifically assign the burden of proof to one party or the other. Rather, the tribunal exercised its authority in assigning the burden of going forward with evidence to the Respondent, as the party seeking to have its Notice of Disqualification affirmed.<sup>22</sup> Once the Respondent completed its case, the Petitioner was provided an opportunity to respond to the allegations against him.

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<sup>17</sup> Respondent Exhibit J; January 12, 2021 hearing transcript, pp. 39-40

<sup>18</sup> Respondent Exhibits K, L, M, N, O, P, Q, R, S; January 12, 2021 hearing transcript, pp. 43-59

<sup>19</sup> Respondent Exhibit S

<sup>20</sup> Respondent Exhibit T (February 4, 2020 letter from Petitioner to MAIPF Board of Governors)

<sup>21</sup> Respondent Exhibit U

<sup>22</sup> Mich Admin Code, R 792.10124(2); MCL 24.280(d)

Here, the Respondent presented extensive and very credible evidence that the Petitioner was engaged in conduct that persistently violated MAIPF's Plan of Operations and internal policies.

██████████ has been employed by the Respondent since 2015 and since 2019, as its Operations Manager. In this role, he is responsible for maintaining MAIPF manuals and guidelines. Mr. ██████████ credibly testified that the Respondent provides its qualified producers with resources to assist them in submitting business, including the Rate and Rule manuals, and producers' violation guides, all of which can be accessed on its website.<sup>23</sup>

Mr. ██████████ further credibly testified that, in August 2018, the Respondent sent the Petitioner a letter notifying him that, due to continuing violations of MAIPF's Plan of Operations and policies, he was disqualified as a Producer and therefore could not submit any new business or receive commissions through MAIPF-generated business.<sup>24</sup>

Mr. ██████████ additionally testified that, on August 29, 2018, a Producer Disqualification Hearing was held before the Respondent's Producer Performance Review Committee (PPRC) for its consideration of disqualifying the Petitioner as a Producer. He indicated that the Petitioner acknowledged full responsibility for the violations, promising he would do better, and that, based on the evidence presented during that hearing,<sup>25</sup> the Petitioner's disqualification was upheld.<sup>26</sup>

Mr. ██████████ stated that, on October 9, 2018, the Respondent sent the Petitioner a notice indicating that it was reversing the disqualification and reinstating him as a Producer due to concerns over the processes that were utilized in arriving at its disqualification decision.<sup>27</sup> He indicated that the Petitioner was reinstated and given another chance to prove he can operate within the parameters of the MAIPF Plan of Operation.

Mr. ██████████ credibly stated that, following the Petitioner's reinstatement, MAIPF continued to monitor his conduct to ascertain whether he was in fact operating in a lawful manner. Mr. Scott indicated that the Petitioner's activities for the period from October 9, 2018, through July 11, 2019, were examined and found to contain 110 infractions of MAIPF's rules (70 violations and 40 deficiencies).<sup>28</sup> Mr. ██████████ credibly described MAIPF's findings with respect to its October 9, 2018 – July 11, 2019, examination as including the following:

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<sup>23</sup> January 12, 2021 hearing transcript, pp. 21-22; [www.maipf.org](http://www.maipf.org)

<sup>24</sup> Respondent Exhibit A

<sup>25</sup> Respondent Exhibit C; January 12, 2021 hearing transcript, p. 32

<sup>26</sup> Respondent Exhibit F

<sup>27</sup> Respondent Exhibit I; January 12, 2021 hearing transcript, pp. 38-39

<sup>28</sup> Respondent Exhibit L; January 12, 2021 hearing transcript, pp. 46-48



- The Petitioner continued to use non-MAIPF forms to be submitted to the Secretary of State, as reported to the MAIPF by the Secretary of State.<sup>29</sup>
- 44 Certificates of Insurance were issued on invalid MAIPF forms.<sup>30</sup>
- 7-day policies continued to be issued by the agency.<sup>31</sup>
- The Petitioner provided documents to customers that were predated for the future or had identical issue and cancellation dates.<sup>32</sup>
- Documents appeared to be doctored.<sup>33</sup>

Mr. [REDACTED] testified that, based on the above findings, the Respondent issued a Notification of Escalation to MAIPF Board, which suspended the Petitioner's access to the MAIPF rating and application tools but did not disqualify him as a Producer at that time.<sup>34</sup> Mr. [REDACTED] indicated that, at the July 18, 2019, meeting, the Petitioner's performance and activities were brought before the PPRC, which found that the Petitioner continued to submit applications and supporting materials which violated both MAIPF rules and Michigan law.<sup>35</sup>

Finally, Mr. [REDACTED] testified that it was the PPRC's findings, as well as the 2018 violations which led to the 2018 suspension, which justified the Respondent's conclusion that the Petitioner was persistently violating the MAIPF Plan of Operations and policies, and ultimately, the issuance of the January 6, 2020, Notice of Disqualification.<sup>36</sup>

The Petitioner's defense to the allegations against him are summarized by the following testimony, cited verbatim:

"Judge Goldstein: All right. Mr. Boyce, this is your opportunity to present your case. You've already--your--your exhibits are already admitted. So if you would like you can go through each of them and describe for the record why you believe those exhibits support your defense in this case.

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<sup>29</sup> Respondent Exhibit M, Q

<sup>30</sup> Respondent Exhibit M

<sup>31</sup> Respondent Exhibit N

<sup>32</sup> Respondent Exhibit O; January 12, 2021 hearing transcript, pp.53-55

<sup>33</sup> Respondent Exhibits O, P, Q; January 12, 2021 hearing transcript, pp. 54-56

<sup>34</sup> Respondent Exhibit J; January 12, 2021 hearing transcript, pp. 39-40

<sup>35</sup> Respondent Exhibits K, L, M, N, O, P, Q, R, S; January 12, 2021 hearing transcript, pp. 43-59

<sup>36</sup> Respondent Exhibit S

Mr. Boyce: Well, I'll let the--the brief and the exhibits speak for themselves. Actually, if you'll indulge me for a moment, I'd like to actually explain why I did certain things.

Judge Goldstein: That's fine. Go ahead.

Mr. Boyce: Yes, it is--yes, it is true that even after [REDACTED] informed us to stop using the--the ACORD 50 MI we continued to use 'em anyway. And the reason why is when we faxed over the MAIPF 01 form to the Secretary of State, unfortunately, most of my many black Detroit customers were having trouble still getting the Secretary of State in suburban areas to recognize the--the MAIPF 01 form because it had void all over it. So in many of those instances we had--I mean, I--I personally made the business decision to create the ACORD 50 MI so that our customers that had been waiting for three or four hours at the Secretary of State to get their proof of insurance admitted so that they could register their vehicle. I guess that's why I was tryin' to make the point that none of the--the--the insurance certificates that we--we submitted, the ACORD 50 MIs, were fraudulent. We did it as an accommodation for our customers. Was it against the rules? Absolutely, I admit it.

The other thing that I was talkin' about earlier, I didn't say in my brief that Mr. [REDACTED] was a racist or Ms. [REDACTED] was a racist or [REDACTED] was a racist. Your Honor, I don't think they're racist. I think they're just followin' the rules. But by the implicit biased, I mean by instead of them givin' me the benefit of the doubt and thinkin' that I was trying to accommodate my customers, it was their instant assumption that I must be doin' somethin' fraudulent.

We were doing the e-signatures, for example. I mean, I'm an honest businessman. I'm not gonna provide--I'm not gonna put someone's signature on an application or an ID card without their authorization. So that's why I was tryin' to make the point, were any of the applications fraudulent. But because of the assumption that, oh, this could potentially be fraudulent, those practices didn't work for me, they actually worked against me because MAIPF assumed that I would put someone's signature on an application or an ID card without the authorization instead of giving me the benefit of the doubt and sayin' that, oh, well, Paris would never do that, which is somethin' I never would.

Even goin' back as far as the--the first disqualification, the--the checks that we printed, I--I explained at the hearing and--I explained at the hearing

that I had recently gotten a briefcase stolen, and I had checks in it, and in those--around that time--around the time that those checks had gotten stolen I already ordered some new checks. They were just gonna take a while before they came.

So by submitting the--the printed checks that didn't contain the NCR scanner I was under the--under the assumption that MAIPF were--was using the account number, routing number to turn the checks into ACH. I did not know that they were depositing them directly into the bank. Because if they were using account number, routing number for the ACH, the checks would've went through fine. And this was somethin' that I had actually on advice from a branch manager at Chase Bank, when I showed her the check--when I showed her that I was under a time constraint because those applications do have to be in by the next business day. So it was like I had to do somethin', but I assumed that the ACH is--that the MAIPF used ACH instead of just straight deposit on the checks. So I assumed wrong and, you know, I was chastised for it.

As far as the--the change in the zip code, I did have an employee that was responsible for just putting in the numbers, putting in the numbers, and he called himself doin' people a favor by changing the zip code one number. Well, immediately when it was brought to my attention not only did we stop the behavior, but I immediately fired him, and we never had a--a zip code issue again. So those things, I guess I just wish that Mr. [REDACTED] would've just asked me why am I doin' these things and just not assume that I was doin' somethin' to be fraudulent."<sup>37</sup>

The above-quoted testimony demonstrates unequivocally the Petitioner's acknowledgment that he violated the Respondent's Plan of Operation and guidelines. He asserts that his actions were justified by his desire to accommodate his customers and/or because he was unaware of what his employees were doing and/or because he thought his fraudulent drafts would not actually be deposited. However, beyond these vague and uncorroborated excuses, the Petitioner produced no documented evidence refuting the Respondent's specific allegations and why those allegations support disqualification.

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<sup>37</sup> January 12, 2021 hearing transcript, pp. 87-92

Here, a preponderance of evidence presented clearly demonstrates that, following his 2018 reinstatement as a Producer, the Petitioner was essentially on warning that his behaviors were considered violative of MAIPF's Plan of Operations and guidelines and would continue to be closely monitored. The preponderance of evidence further demonstrates that the Petitioner continued to violate the Respondent's Plan of Operation and guidelines despite being reinstated and warned that his behavior would be monitored.

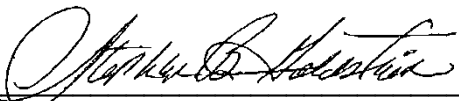
Accordingly, the tribunal concludes that the Respondent has acted in a manner contrary to the Respondent's Plan of Operation and guidelines. As such, the Respondent's Notice of Disqualification is warranted and should be affirmed.

### **PROPOSED DECISION**

Based on the above Findings of Fact and Conclusions of Law, the tribunal proposes that the Director or the Director's designee issue a Final Order Affirming the Respondent's January 20, 2020, Notice of Disqualification as a Qualified Producer.

### **EXCEPTIONS**

Pursuant to MCL 24.281, 2015 AACS R 792.10132, and 2015 AACS R 792.10608, a party may file exceptions to this proposal for decision within 21 days after the proposal for decision is issued. An opposing party may file a response to exceptions within 14 days after exceptions are filed. File exceptions and responses with Randie Swinson ([SwinsonR@michigan.gov](mailto:SwinsonR@michigan.gov)), Department of Insurance and Financial Services, Office of General Counsel, PO Box 30220, Lansing, Michigan, 48909, and send a copy to the other parties.

  
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**Stephen B. Goldstein**  
**Administrative Law Judge**