

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

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**Carey Butterfield  
Butterfields Used Cars & Wholesaling LLC**

**Enforcement Case No. 21-16510**

Respondents.  
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**Issued and entered  
on September 13, 2021  
by Randall S. Gregg  
Senior Deputy Director**

**ORDER TO CEASE AND DESIST WITH STATEMENT OF FINDINGS  
AND NOTICE OF OPPORTUNITY FOR HEARING**

Pursuant to Section 251 of the Michigan Insurance Code (Code), MCL 500.251, and after reviewing evidence of the conduct described in the attached Statement of Findings, and

**WHEREAS**, the Director of the Department of Insurance and Financial Services finds that immediate action is necessary and appropriate in the public interest for the protection of the public health, safety, and welfare, and consistent with the purposes fairly intended by public policy and provisions of the Code,

**IT IS THEREFORE ORDERED THAT:**

1. The Respondents shall immediately **CEASE AND DESIST** from all activities in violation of the Code as described in the Statement of Findings.
2. A copy of this Order shall be immediately served upon Respondents and shall be effective upon the date of service.
3. Respondents have 30 calendar days after the service of this Order to contest it by requesting a hearing. Within 10 calendar days after receiving the request, the hearing process shall commence. This Order shall remain in effect until further order of the Director. Any request for a hearing should be addressed to the Department of Insurance and Financial Services, Attention: Randie Swinson, Hearings Coordinator, P.O. Box 30220, Lansing, MI 48909-7720 or faxed to 517-284-8728.
4. Any such hearing held shall address the following issues:
  - a. The facts set forth in the Statement of Findings.

- b. The continuation of the Order to Cease and Desist.
  - c. Restitution to be paid by the Respondents.
5. If a hearing is requested, an administrative law judge from the Michigan Administrative Hearing System shall preside over any such hearing.
6. The Director retains jurisdiction of the matters contained herein and the authority to issue such further Orders as shall be deemed just, necessary, and appropriate.
7. Pursuant to Section 251(6) of the Code, MCL 500.251(6), a person who violates or otherwise fails to comply with an Order to Cease and Desist is subject to one or more of the following:
- a. Payment of a civil fine of not more than \$1,000 for each violation not to exceed an aggregate civil fine of \$30,000. However, if the person knew or reasonably should have known the conduct was in violation of the cease and desist order, the person shall be subject to a civil fine of not more than \$25,000 for each violation not to exceed an aggregate civil fine of \$250,000.
  - b. Suspension or revocation of the person's license or certificate of authority.
  - c. Complete restitution, in the form, amount, and within the period determined by the Director, to all persons in Michigan damaged by the violation or failure to comply.



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Randall S. Gregg  
Senior Deputy Director

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

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**Carey Butterfield**  
**Butterfields Used Cars & Wholesaling LLC**  
(Unlicensed)

**Enforcement Case No. 21-16510**

Respondents.

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**STATEMENT OF FINDINGS**

1. Pursuant to Section 251(1) of the Michigan Insurance Code (Code), MCL 500.251(1), the Director of the Department of Insurance and Financial Services (DIFS) is empowered to issue a cease and desist order if the Director finds any of the following:
  - (a) A person is conducting transactions of insurance for which a certificate of authority is required by this act without having obtained a certificate of authority.
  - (b) A person is acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by this act.
  - (c) A person is engaged in an act or practice in the business of insurance for which authority from or notification to the commissioner is required by this act and the person has not received authority or given notification.
  - (d) A person authorized to engage in the business of insurance under this act is engaged in conduct that presents an immediate danger to public health, safety, or welfare. MCL 500.251(1).
  
2. Under Section 1201a(1) of the Code, MCL 500.1201a(1), it is a violation for a person to sell, solicit, or negotiate insurance in this state for any line of insurance without first obtaining a license or qualification for that line.
  - a. "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers. MCL 500.1201(m).
  - b. "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company. MCL 500.1201(n).

- c. "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company. MCL 500.1201(o).
3. Under Section 1208a(1) of the Code, MCL 500.1208a(1), an insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer.
4. At all relevant times, Respondent Carey Butterfield (Butterfield) was not licensed as an insurance producer in Michigan.
5. At all relevant times, Respondent Butterfields Used Cars & Wholesaling LLC (BUCW) was not licensed as insurance producer/agency in Michigan. Respondent Butterfield and Respondent BUCW are hereafter referred to as Respondents.
6. On or about October 5, 2020, DIFS received a complaint from Progressive Insurance Company (Progressive) alleging Respondent Butterfield was using his personal and Respondent BUCW's business email address and BUCW's computer to purchase insurance policies for BUCW customers.
7. Progressive's investigation identified eighty-seven Progressive policies originating from Respondents Butterfield and BUCW between December 29, 2017 and July 24, 2020. The review of the case data revealed the following:
  - a. Thirty-two policies were still in force.
  - b. Forty-one policies originated from IP address 24.180.177.115, which is associated with a computer at Respondent BUCW.
  - c. Eleven policies utilized repeat email [careybutterfield@yahoo.com](mailto:careybutterfield@yahoo.com), an email address associated with Respondent Butterfield.
  - d. Nine policies utilized repeat email [wholesalehenry764@gmail.com](mailto:wholesalehenry764@gmail.com), an email address associated with Respondent BUCW.
  - e. There were seventeen claims, eleven with payments totaling \$16,292.00 in losses.
8. Respondent Butterfield admitted to Progressive that he allowed customers to use Respondent BUCW's computers to shop for insurance. Further, the use of emails associated with Respondents were to simply obtain insurance certificates for lienholders.
9. Respondent Butterfield admitted to Progressive that at times he will pay the policyholder's first monthly payment to get the vehicles insured and complete the vehicle sales. He acknowledged Progressive's concerns and agreed to stop soliciting Progressive insurance policies.
10. After an investigation, DIFS Staff concluded that Respondents have engaged in activities regulated by the Code, without the requisite license, and have violated the insurance laws of this state.
11. By soliciting insurance as an unlicensed producer, Respondents violated Section 1201a(1) of the Code, MCL 500.1201a(1).

12. By acting as an agent of Progressive without an appointment, Respondents violated Section 1208a(1) of the Code, MCL 500.1208a(1).
13. By presenting, causing to present, or preparing with knowledge or belief that it will be presented to Progressive any oral or written statement knowing that the statement contains any false information concerning any fact material to an application for the issuance of an insurance policy, Respondent Butterfield violated Section 4503(a) of the Code, MCL 500.4503(a).
14. Based on the aforementioned findings, Respondents are engaged in an act or practice in the business of insurance for which authority from or notification to the Director is required by the Code, and Respondents have not received authority nor given notification.
15. Respondents are subject to sanctions under Sections 150, 1239(2)(e), and 1244 of the Code, MCL 500.150, 500.1239(2)(e), and 500.1244. Furthermore, if the above facts are found to be true, Respondents' violation of Section 4503(a) of the Code may also be considered a felony under Section 4511 of the Code, MCL 500.4511.