

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

In the matter of:

CORNELL C. JONES, SR.
System ID. No. 0456204

Enforcement Case No. 16-14533

SELECT INSURANCE SERVICES
System ID. No. 0102438

Respondents.
_____ /

Issued and entered
on October 20, 2016
By Teri L. Morante
Chief Deputy Director

FINAL ORDER TO REVOKE INSURANCE PRODUCER LICENSE

I. FINDINGS OF FACT

1. On August 3, 2016, pursuant to section 1242 of the Insurance Code (Code), MCL 500.1242, and Section 92 of the Michigan Administrative Procedures Act (APA), MCL 24.292, the Chief Deputy Director of the Department of Insurance and Financial Services (DIFS) issued to Respondents an Order of Summary Suspension (Order), Notice of Opportunity for Hearing and Notice of Intent to Revoke License (Notice).
2. The Order and Notice, served on Respondents via certified mail, was received by Respondent Cornell C. Jones, Sr. on August 11, 2016, as evidenced by the signed certified mail Domestic Return Receipt. The certified mail sent to Respondent Select Insurance Services c/o Cornell C. Jones, Sr., was returned as unclaimed.
3. The Order and Notice served on Respondent Cornell C. Jones, Sr., by first class mail to his last known address: [REDACTED], Flint, MI [REDACTED] was not returned as undeliverable.
4. The Order and Notice served on Respondent Select Insurance Services, by first class mail to its last known address: 4385 Davison Road, Burton, MI 48509 was not returned as undeliverable.
5. The Order and Notice, incorporated herein, contained allegations that Respondents engaged in conduct providing justification for sanctions pursuant to the following:
 - a. Section 1201(a)1 and 1239(1)(l) of the Code, MCL 500.1201(a)(1) and MCL 500.1239(1)(l), by allowing an unlicensed person to sell, solicit and negotiate

insurance policies, submit insurance applications to insurers, collect premiums and bind coverage at Select without being licensed and properly authorized to transact the business of insurance.

- b. Sections 1208a(1) and 1239(1)(b) of the Code, MCL 500.1208a(1) and MCL 500.1239(1)(b), by allowing a person to sell, solicit and negotiate insurance policies, collect premiums, and bind coverage for Progressive Insurance Company at Select without being properly appointed by Progressive.
- c. Sections 1207(1) and 1239(1)(b) of the Code MCL 500.1207(1) and MCL 500.1239(1)(b), by violating their fiduciary duty by allowing unlicensed persons to accept funds intended for payment of insurance premiums and failing to ensure that those payments were remitted to insurers for that purpose.
- d. Section 1239(1)(d) of the Code, MCL 500.1239(1)(d), by misappropriating and/or converting premium payments made by insurance customers that were intended for payment of insurance when they allowed others to accept funds on their behalf without ensuring that all of the funds accepted from customers that were intended for the payment of insurance were remitted to insurers for that purpose.
- e. Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), by using dishonest and/or fraudulent practices and demonstrating incompetence, untrustworthiness and financial irresponsibility in the conduct of business by:
 - i. Allowing others to sell, solicit and negotiate insurance policies at Respondent Select without being properly licensed;
 - ii. Allowing others to act on behalf of insurers without being properly appointed;
 - iii. Failing to ensure only licensed and appointed individuals solicited, sold, and negotiated insurance at Respondent Select;
 - iv. Intentionally misleading insurance customers by stating a required down payment for insurance without disclosing the true cost of the policy and without disclosing the actual required down payment as charged by the insurer;
 - v. Failing to remit premium money to the insurer to which it was owed;
 - vi. Accepting insurance business from unlicensed individuals;
 - vii. Allowing others to accept premium funds on behalf of Respondent Select without ensuring that all the funds accepted from customers that were intended for the payment of insurance premium were remitted to insurers for that purpose;

- viii. Paying a commission, service fee, or other valuable consideration to unlicensed individuals for selling, soliciting, or negotiating insurance in Michigan;
 - ix. Failing to supervise the activities of their employees; and
 - f. Section 1239(3) of the Code, MCL 500.1239(3), when Respondent Jones failed, as DRLP, to ensure Respondent Select and its agents/employees engaged in the business of insurance in compliance with Michigan's insurance laws, rules and regulations, and the violations were known or should have been known, yet he did nothing.
6. The Order and Notice advised Respondents that pursuant to Section 1242(4) of the Code, MCL 500.1242(4), if a hearing were requested, a hearing would be held within 20 calendar days after service of the Order and Notice, unless a later date was requested. The Order and Notice further indicated that the hearing would determine whether the suspension should be continued or withdrawn and whether their insurance producer licenses should be revoked.
7. Despite DIFS Staff having served Respondents and having complied with MCL 500.1238, Respondents have failed to request a hearing in this matter.
8. Pursuant to Section 1244 of the Code, MCL 500.1244, if, after an opportunity for a hearing, the Director finds that Respondents have violated Chapter 12 of the Code, the Director may issue and serve upon the persons charged with the violations his findings and an order to cease and desist, and may order the suspension and revocation of Respondent's licenses.

II.
FINAL ORDER TO REVOKE INSURANCE PRODUCER LICENSE

NOW, THEREFORE, based upon the factual findings set forth above and the files and records of DIFS, **IT IS HEREBY ORDERED THAT:**

- 9. The factual allegations set forth in the Order and Notice shall be and hereby are found to be true and correct.
- 10. Respondent Cornell C. Jones, Sr.'s insurance producer license, System ID No. 0456204, issued pursuant to provisions of the Code, shall be and is hereby **REVOKED**. Respondent shall immediately return his original insurance producer license certificate to the Michigan Department of Insurance and Financial Services.
- 11. Respondent Select Insurance Services' insurance producer agency license System ID No. 0102438, issued pursuant to provisions of the Code, shall be and is hereby **REVOKED**. Respondent shall immediately return its original insurance producer license certificate to the Michigan Department of Insurance and Financial Services.
- 12. Respondents shall Cease and Desist from violating the Code and from engaging in any conduct requiring a license to engage in such activity under the Code.

13. This Order shall be and is effective on the date issued. This Order shall remain in effect until terminated, modified, or set aside, in writing by the Director.
14. The Director specifically retains jurisdiction of the matter contained herein to issue such further order or orders as he may deem just, necessary, or appropriate so as to assure compliance with the law and protect the interest of the public.

IT IS SO ORDERED.

Dated: October 20, 2016



Teri Morante
Chief Deputy Director