

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 Mark Shamaly
System ID No. 0068171

Enforcement Case No. 16-14509

Respondent.

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Issued and entered
on December 27, 2016
by Teri L. Morante
Chief Deputy Director

ORDER OF REVOCATION

Based upon the Stipulation to Entry of Order of Revocation 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 of Revocation 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. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
4. Acceptance of the Stipulation to Entry of Order of Revocation is reasonable and in the public interest.
5. All applicable provisions of the APA have been met.
6. At all relevant times, Respondent David Mark Shamaly (System ID No. 0068171) (Respondent) was a licensed resident insurance producer. Respondent worked for Integrated Insurance Agency Inc. (hereinafter the Agency). In approximately August 2013, the Agency discovered that Respondent was accepting premium payments from clients and using the payments for his personal use. In order to cover up his intentional diversion of the premium funds for his personal use, Respondent unlawfully transferred monies from the Agency's business account into the Agency's sweep account so that it would appear as

if the premiums had been appropriately deposited. In total, the Agency's records support that Respondent unlawfully diverted approximately \$8,547.34 of client funds for his personal use. Respondent agreed to repay this amount to the Agency by agreement dated June 19, 2014.

7. In the spring of 2014, Respondent also fraudulently signed the co-owner of the Agency's name to checks in the amount of \$1,459.62 and \$1,230.00, respectively.
8. On or about August 19, 2014, Respondent made an unauthorized deduction from the Agency's checking account in the amount of \$263.03.
9. On or about November 21, 2014, the St. Clair County Prosecutor's Office charged Respondent with felony embezzlement pursuant to MCL 750.174.
10. On or about January 13, 2015, Respondent pled guilty to a misdemeanor of larceny less than \$1,000, pursuant to MCL 750.356(4)(A), in 72nd District Court (St. Clair County) (misdemeanor larceny in amount of \$200-\$1000). Among other things, the court ordered Respondent to pay \$11,773.11 in restitution to the Agency. Respondent never notified DIFS of the criminal charges, any proceedings, or his conviction until he responded to a letter from a DIFS investigator dated June 7, 2016.
11. Based on the foregoing, Respondent has committed acts under the Code that provide justification for the Director to order licensing sanctions pursuant to Sections 1239(1)(b),(d),(g), and (h), 1207(1), 1247(2), and 1244 of the Code, MCL 500.1239(1)(b),(d),(g), and (h), 500.1207(1), 500.1247(2), and 500.1244.

Now therefore, based upon the Stipulation to Entry of Order of Revocation and the facts surrounding this case, **IT IS ORDERED THAT:**

12. Respondent David Mark Shamaly's insurance producer license is revoked.
13. The Chief Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further Order(s) 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 of Revocation and this Order of Revocation may result in the commencement of additional proceedings.


Teri L. Morante
Chief Deputy Director