

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Eric Donovan Bradford
Unlicensed

Enforcement Case No. 21-16431

Respondent.

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**Issued and entered
on May 17, 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 Respondent 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 Respondent. As to any Respondent, this Order shall be effective upon the date of service.
3. Respondent will 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 517-284-8843.
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 Respondent.
5. If a hearing is requested, an administrative law judge from the Michigan Office of Administrative Hearings and Rules 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.



Randall S. Gregg
Senior Deputy Director

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STATEMENT OF FINDINGS

1. Pursuant to MCL 500.251(1), the Director 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 MCL 500.1201a(1), it is a violation for a person to negotiate, sell, or solicit insurance in this state for any line of insurance without first obtaining a license or qualification for that line.
3. MCL 500.1201 defines "negotiate," "sell," and "solicit" as follows:
 - 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, if 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).

4. Under 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.
5. DIFS staff received information about possible unlicensed activity by Eric Donovan Bradford, aka "Eric Fonzarelli" (Respondent). A review of DIFS' records revealed that Respondent is not licensed under the Code.
6. After an investigation, DIFS staff concluded that Respondent has engaged in activities regulated by the Code, without the requisite license, and has therefore violated the insurance laws of this state.
7. A representative of State Farm Insurance (State Farm) provided DIFS with copies of certificates of insurance purporting to show that four individuals had automobile insurance coverage under State Farm policies. Each of the four policies represented Dawn M. Pullis as the "Agent."
8. DIFS' subsequent investigation determined that the certificates of insurance were not valid and that Respondent had provided the insurance certificates.
9. DIFS' investigation also disclosed that Respondent had issued invalid certificates of insurance to three more individuals. These certificates of insurance purported to have been issued by "Allstate Fire and Casualty Insurance Company" (Allstate).
10. Over approximately thirteen months, the Michigan Department of State (MDOS) collected 101 fraudulent insurance certificates stating that, consistent with the fraudulent certificates produced by Respondent, various prospective insureds had automobile insurance coverage through State Farm and identified Dawn Pullis as the agent.
11. Over a two-month period, MDOS collected a total of eleven fraudulent insurance certificates purporting to provide coverage under the same Allstate policy referenced above, including the two individuals DIFS' discovered during its investigation. These were consistent with the fraudulent certificates produced by Respondent.
12. During the course of DIFS' investigation, an investigator contacted Respondent via telephone. Respondent discussed automobile insurance via text message and e-mailed the investigator an automobile insurance certificate showing that the investigator, under an alias, had automobile insurance coverage through State Farm.
13. Respondent further communicated to the investigator that he would provide six months of automobile insurance for \$300.00, with payment to be sent through Respondent's Cash App account.
14. Respondent indicated that the insurance certificates he provided could be presented to MDOS to renew automobile registrations.
15. Respondent also stated that he would pay the investigator \$50.00 for customer referrals.
16. By negotiating, selling, and/or soliciting insurance as an unlicensed producer, Respondent violated MCL 500.1201a(1).

17. By negotiating, selling, and/or soliciting insurance and/or otherwise acting as an agent of State Farm and/or Allstate without an appointment, Respondent violated MCL 500.1208a(1).
18. By diverting and/or attempting to divert funds from an insurer and/or other persons in exchange for fraudulent insurance policies, Respondent violated MCL 500.4503(g)(i).
19. By issuing and/or delivering fraudulent certificates of insurance, Respondent violated MCL 500.2271(a).
20. By preparing and/or issuing certificates of insurance containing false or misleading information, Respondent violated MCL 500.2271(b).
21. By supplying false information to the Michigan Secretary of State and/or issuing altered, fraudulent, or counterfeit certificates of insurance, Respondent violated 500.3101a(5).
22. Based on the aforementioned findings, Respondent is 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 Respondent has not received authority or been given notification.
23. Respondent is subject to sanctions under MCL 500.150, 500.1239(1)(f), 500.1239(2)(e), 500.1244, and MCL 500.2277. Furthermore, if the above facts are found to be true, Respondent's violations of MCL 500.3101a(5) may also be considered a misdemeanor under MCL 500.3101a(5), and his violations of MCL 500.4503(g)(i) may be considered a felony under MCL 500.4511.