

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

George Edward Movsesian
System ID No. 419560

Enforcement Case No. 21-16339
Agency No. 21-012-L

Respondent.

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**Issued and entered
on January 20, 2022
by Randall S. Gregg
Senior Deputy Director**

FINAL DECISION

I. Background

George Edward Movsesian (System ID No. 419560) (Respondent) was, at all relevant times other than indicated below, an active licensed resident producer with qualifications in accident and health, life, and variable annuities. Respondent has been licensed since November 13, 2006. Respondent was suspended for failure to complete continued education requirements from November 1, 2010, to December 7, 2010, and November 1, 2018, to November 26, 2018. Respondent was again suspended for failure to complete continued education requirements on November 1, 2020, and became inactive on February 1, 2021.

The Department of Insurance and Financial Services (DIFS) began an investigation initiated when it received a January 29, 2018, Notice and Order to Cease and Desist (Cease and Desist Order) issued by the Department of Licensing and Regulatory Affairs (LARA) against Respondent for Complaint No. 334032. DIFS subsequently determined that Respondent violated the following provisions of the Insurance Code: MCL 500.249, MCL 500.1206(5), MCL 500.1238(1), MCL 500.1239(1)(g), MCL 500.1239(2)(e) and MCL 500.1247(1).

DIFS subsequently issued a Notice of Opportunity to Show Compliance (NOSC) April 22, 2021. The NOSC was sent by first-class mail to Respondent at his address on file with DIFS. Respondent's reply was due on or before May 17, 2021. DIFS did not receive a reply to the NOSC.

On October 22, 2021, DIFS issued an Administrative Complaint, Statement of Factual Allegations, Order for Hearing and Notice of Hearing, which was served on Respondent at the address he is required to maintain with DIFS. Paragraph 3 of the Order for Hearing required Respondent to take one of the following actions within 21 days: (1) agree to a resolution of the case, (2) file a response to the allegations with a statement that Respondent planned to attend the hearing, or (3) request an adjournment. DIFS did not receive a reply to the Administrative Complaint and Respondent failed to take any of the actions required by paragraph 3 of the Order.

On December 16, 2021, DIFS filed a Motion for Final Decision. Respondent did not file a reply to the Motion. Given Respondent's failure to respond, Petitioner's motion is granted. The Administrative Complaint, being unchallenged, is accepted as true. Based upon the Administrative Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

II. Findings of Fact and Conclusions of Law

1. The Department of Insurance and Financial Services (DIFS) reviewed a January 29, 2018, Notice and Order to Cease and Desist (Cease and Desist Order) issued by the Department of Licensing and Regulatory Affairs (LARA) against Respondent for Complaint No. 334032.
2. DIFS' subsequent investigation revealed that Respondent violated the following provisions of the Insurance Code:
 - a. By failing to respond to DIFS inquiries, Respondent violated MCL 500.249;
 - b. By failing to notify DIFS of an address change within 30 days, Respondent violated MCL 500.1206(5);
 - c. By failing to notify DIFS of the change to his mailing address within 30 days and failing to provide DIFS with an electronic mail address, Respondent violated MCL 500.1238(1);
 - d. By failing to notify DIFS of an administrative action taken against him within 30 days of final disposition of the matter, Respondent violated MCL 500.1247(1);
 - e. By failing to inform DIFS that he had been subject to administrative action and by engaging in unlicensed financial activity that resulted in Michigan consumers losing significant sums of money, Respondent violated MCL 500.1239(1)(g); and
 - f. By violating the insurance laws of this state, including MCL 500.249, MCL 500.1206(5), MCL 500.1238(1) and MCL 500.1247(1), Respondent violated MCL 500.1239(2)(e).
3. In its January 29, 2018 Cease and Desist Order, LARA ordered Respondent to:

[C]ease and desist from offering and selling unregistered securities and from acting as an unregistered agent for Woodbridge Mortgage Investment Fund 1, LLC; Woodbridge Mortgage Investment Fund 3, LLC; and Woodbridge Mortgage Investment Fund 3A, LLC (collectively, "Woodbridge" unless individually identified) . . . Respondent is also notified of the opportunity to request a hearing in this matter.
4. The Cease and Desist Order further stated:

Under section 604 of the Securities Act, MCL 451.2604, the Respondent's failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL ORDER** includes the imposition of the fines cited

described in section IV.C., and the fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

\$9,700.00 – George Edward Movsesian, under section 604 of the Securities Act, MCL 451.2604.

Emphasis in original.

5. According to paragraph 5 of the Cease and Desist Order, Respondent was not registered or exempt from registration as an agent pursuant to the Securities Act in Michigan.
6. Respondent sold 9 Woodbridge securities for a total of \$707,286.95, earning Respondent \$9,700.00 in commissions.
7. Woodbridge later went bankrupt, losing significant sums of investors' money.
8. On October 4, 2018, LARA issued a "final and binding" Administrative Consent Agreement and Order, which set forth a settlement agreement between Respondent and LARA, resolving Complaint No. 334032 for a civil fine of \$1,000.00.
9. Under MCL 500.1247(1), Respondent had 30 days to notify DIFS of LARA's administrative action. Because the thirtieth day, November 3, 2018, fell on a Saturday, Respondent had until November 5, 2018, to notify DIFS.
10. Respondent failed to notify DIFS of LARA's administrative action.
11. Respondent has not provided DIFS with an electronic mail address.
12. At all relevant times, Respondent's mailing address of record with DIFS was in Macomb, Michigan. Respondent provided DIFS with a business phone number and a personal phone number.
13. The Michigan Secretary of State provided an address in [REDACTED] for Respondent.
14. On March 30, 2020, a DIFS investigator dialed Respondent's personal phone number and received an automated message that the phone number was, "disconnected or no longer in service." A DIFS investigator also dialed Respondent's business phone number and left Respondent a message asking that he contact the DIFS investigator.
15. On March 31, 2020, a DIFS investigator sent letters via the United States Postal Service (USPS) First Class Mail to both of Respondent's reported addresses. The March 31, 2020 letters requested that Respondent provide information to assist DIFS in asserting compliance with the Code on or before April 10, 2020.
16. On April 14, 2020, a DIFS investigator sent letters via the USPS Certified Mail to both of Respondent's reported addresses. The April 14, 2020 letters requested that Respondent provide information to assist DIFS in asserting compliance with the Code on or before April 20, 2020.

17. The letter sent via Certified Mail to Respondent's [REDACTED] address was returned to DIFS by the USPS containing a sticker stating:

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

18. The letter sent via Certified Mail to Respondent's [REDACTED] address was returned to DIFS, containing a sticker from the USPS stating:

RETURN TO SENDER
ATTEMPTED – NOT KNOWN
UNABLE TO FORWARD

19. On June 2, 2020, a DIFS investigator sent letters via the USPS Certified Mail to both of Respondent's reported addresses. The June 2, 2020 letters requested that Respondent provide information to assist DIFS in asserting compliance with the Code on or before June 15, 2020.

20. The letter sent to Respondent's [REDACTED] address was returned to DIFS, containing a sticker from the USPS stating:

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

21. The letter sent to Respondent's [REDACTED] address was delivered. The USPS tracking notice indicated the following:

Notice Left (No Authorized Recipient Available)

22. Respondent has not replied to any of DIFS' multiple requests for information.

23. On April 22, 2021, a Notice of Opportunity to Show Compliance was mailed by first class mail to Respondent at both the [REDACTED] and [REDACTED] addresses.

24. Respondent's reply was due on or before May 17, 2021.

25. On May 5, 2021, DIFS received the NOSC it had mailed to Respondent at his [REDACTED] address, containing a sticker from the USPS stating:

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

26. Respondent has not replied to the NOSC.

27. On October 22, 2021, DIFS served Respondent with an Administrative Complaint, Statement of Factual Allegations, Order for Hearing and Notice of Hearing via first class mail to Respondent at his [REDACTED] and [REDACTED] addresses.
28. Respondent's reply was due on or before November 15, 2021.
29. On November 30, 2021, DIFS received the Administrative Complaint it had mailed to Respondent's [REDACTED] address, containing a sticker from the USPS stating

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD
30. Respondent did not respond in any way to the Administrative Complaint.
31. As a licensee, Respondent knew or had reason to know that MCL 500.249 requires that licensees respond to inquiries from DIFS Staff.
32. Respondent violated MCL 500.249 by failing to respond to DIFS' multiple e-mail, phone, and mail inquiries.
33. As a licensee, Respondent knew or had reason to know that MCL 500.1206(5) requires him to notify DIFS of any change of address within 30 days of the change.
34. Respondent violated MCL 500.1206(5) because he failed to notify DIFS that his address had changed, as indicated by the mail returned to DIFS.
35. As a licensee, Respondent knew or had reason to know that MCL 500.1238(1) requires him to notify DIFS of any change in his mailing address within 30 days after the change and to provide DIFS with an electronic mail address.
36. Respondent violated MCL 500.1238(1) by failing to notify DIFS of the changes to his mailing addresses, as indicated by the mail returned to DIFS, and by failing to provide DIFS with an electronic mail address.
37. As a licensee, Respondent knew or had reason to know that MCL 500.1247(1) requires him to notify DIFS of any administrative action against him within 30 days of the final disposition of the matter.
38. As set forth above, Respondent violated MCL 500.1247(1) by failing to notify DIFS of the administrative action against him by LARA within 30 days of its final disposition.
39. As a licensee, Respondent knew or had reason to know that MCL 500.1239(1)(g), provides that he may be sanctioned for "[u]sing fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."

40. As set forth above, by failing to inform DIFS that he had been subject to administrative action and engaging in unlicensed financial conduct that resulted in Michigan consumers losing significant sums of money, Respondent has used fraudulent, coercive, or dishonest practices and otherwise demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state, providing justification for sanctions under MCL 500.1239(1)(g).
41. As a licensee, Respondent knew or had reason to know that MCL 500.1239(2)(e), provides that he may be sanctioned for violating any insurance laws, regulations or administrative rules.
42. As set forth above, by violating MCL 500.1247(1), Respondent has provided justification for sanctions under MCL 500.1239(2)(e).
43. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order that he cease and desist his unlawful actions and impose sanctions pursuant to MCL 500.150, MCL 500.1239(1)(g), MCL 500.1239(2)(e), and MCL 500.1244(1)(a)-(d). Potential sanctions for Respondent's unlawful conduct may include the payment of a civil fine, the refund of any overcharges, that restitution be made to cover losses, damages or other harm attributed to Respondent's violation or violations of the Code, and/or other sanctions, including limitation, revocation, or suspension of Respondent's license.
44. DIFS staff has made reasonable efforts to serve Respondent and has complied with MCL 500.1238(2).
45. Respondent was sent notice and has been given an opportunity to respond and appear and he has not responded or appeared.
46. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.

III. Order

Based upon the Respondent's conduct and the applicable law cited above, it is ordered that:

1. Respondent shall **CEASE** and **DESIST** from violating the Code.
2. Respondent shall immediately CEASE and DESIST from engaging in the business of insurance.
3. Pursuant to MCL 500.150, MCL 500.1239(1)(g), MCL 500.1239(2)(e), and MCL 500.1244(1)(a)-(d), Respondent's resident insurance producer license (System ID No. 419560) is **REVOKED**.

Anita G. Fox, Director
For the Director:



Randall S. Gregg, Senior Deputy Director