

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Hylant Group, Inc.
System ID No. 0035549

Enforcement Case No. 19-15555

Judy K. Wilson
System ID No. 0646110

Respondents.
_____ /

Issued and entered
on August 16, 2019
by Teri L. Morante
Chief Deputy Director

ORDER ACCEPTING STIPULATION


Based upon the Stipulation to Entry of Order 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. The Chief Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation 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.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
4. All applicable provisions of the APA have been met.
5. Respondents violated Section 1905(3)(d) of the Code, MCL 500.1905(3)(d), and have provided justification under Sections 1207(1) and (2), 1239(1)(b), (d), and (h) of the Code, MCL 500.1207(1) and (2), and 500.1239(1)(b), (d), and (h), for the Director to order restitution be made to insureds to cover incurred losses, damages, or other harm attributable to the acts of Respondents found to be in violation of the Code, and/or levy a civil fine against Respondents, pursuant to Sections 1239(1) and 1244(1) of the Code, MCL 500.1239(1) and 500.1244(1), due to Respondents' failure to accurately report surplus lines policies and taxes on their tax filings, and failure to issue timely refunds.

6. Respondents amended their tax filings and have submitted the additional surplus lines taxes and regulatory fees owed to the State of Michigan.

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

7. Respondents shall cease and desist from operating in a manner that violates the Code.
8. Respondents shall immediately implement reasonable accounting methods to properly record funds received in their fiduciary capacity and issue timely refunds in compliance with Section 1207 of the Code, MCL 500.1207.
9. Respondents shall immediately implement procedures to accurately report surplus lines policies and taxes on their tax filings, in compliance with Section 1905(3)(d) of the Code, MCL 500.1905(3)(d).
10. Respondents shall pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$5,000.00. Respondents further agree to pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
11. 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 and this Order may result in the commencement of additional proceedings.


Teri L. Morante
Chief 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:

Hylant Group, Inc.
System ID No. 0035549

Enforcement Case No. 19-15555

Judy K. Wilson
System ID No. 0646110

Respondents.

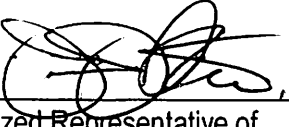
_____ /

STIPULATION TO ENTRY OF ORDER

Hylant Group, Inc. and Judy K. Wilson (Respondents) stipulate to the following:

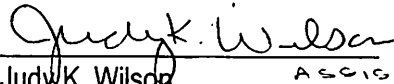
1. On or about June 10, 2019, the Department of Insurance and Financial Services (DIFS) served Respondents with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondents violated provisions of the Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
2. Specifically, the NOSC contained allegations that Respondents violated Section 1207 and 1905 of the Code, MCL 500.1207 and 500.1905.
3. Respondents admit to the allegations above and have agreed to the entry of a stipulated order for the purpose of resolving this matter.
4. Respondents and DIFS conferred for the purpose of resolving this matter.
5. Respondents exercised their right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
6. At all pertinent times, Respondents were licensed with DIFS as an insurance producer pursuant to the Code.
7. All parties have complied with the procedural requirements of the APA and the Code.
8. Respondents agree that they will cease and desist from operating in a manner that violates the Code.
9. Respondents agree to immediately implement reasonable accounting methods to properly record funds received in their fiduciary capacity and issue timely refunds in compliance with Section 1207 of the Code, MCL 500.1207.
10. Respondents agree to immediately implement procedures to accurately report surplus lines policies and taxes on their tax filings, in compliance with Section 1905(3)(d) of the Code, MCL 500.1905(3)(d).

11. Respondents agree that they will pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$5,000.00. Respondents further agree to pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
12. Respondents have had an opportunity to review this Stipulation to Entry of Order and the proposed Order Accepting Stipulation and have the same reviewed by legal counsel.
13. Respondents understand and agree that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
14. Respondents understand and agree that the Chief Deputy Director may, in her sole discretion, decide to accept or reject this Stipulation to Entry of Order. If the Chief Deputy Director accepts the Stipulation to Entry of Order, Respondents waive the right to a hearing in this matter and consent to the entry of the Order Accepting Stipulation. If the Chief Deputy Director does not accept the Stipulation to Entry of Order, Respondents waive any objection to the Director holding a formal administrative hearing and making a decision after such hearing.
15. It is further stipulated that failure to comply with the Order of the Director accepting this settlement by failing to pay the administrative and civil fines as set forth above shall result in the commencement of an action to suspend (or to continue the suspension of) all licenses held by Respondents under the Code.
16. It is further stipulated that the amount of fines and/or fees has been negotiated in return for the avoidance of further proceedings and certain promises and conditions, one of which is the timely payment of said fines and/or fees. Should Respondents fail to pay the fines and/or fees in accordance with the terms of this Stipulation and the Director's Order, the parties agree that an action will commence to determine if the Respondents have, in fact, failed to pay, and, if so, Respondents agree that the fines and/or fees will immediately increase to the maximum amount allowed under the Code, shall be immediately due in full, and Respondents' license(s) shall be revoked.



Authorized Representative of
Hylant Group Inc.
System ID No. 0035549

Date 8/5/19



Judy K. Wilson
System ID No. 0646110

Date 08/05/19

DIFS Staff approve this Stipulation and recommend that the Chief Deputy Director accept it and issue an Order Accepting Stipulation.

William R. Peattie

William R. Peattie (P48004)
DIFS Staff Attorney

8/8/19

Date