

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Department of Insurance and Financial Services

Enforcement Case No. 17-14719
Agency No. 17-011-L

Petitioner,

v

Jackson's Insurance Bureau Agency, LLC
System ID No. 0107875

Kelita Yolanda Jackson
System ID No. 0745605

Respondents.
_____ /

Issued and entered
on March 21, 2019
by Randall S. Gregg
Senior Deputy Director

FINAL DECISION

I. Background

Jackson's Insurance Bureau Agency, LLC (System ID No. 0107875) (Respondent Agency) is a limited liability company and a licensed resident insurance producer agency authorized to transact the business of insurance in the state of Michigan. Kelita Yolanda Jackson (System ID No. 0745605) (Respondent Jackson) is a licensed resident insurance producer and is authorized to transact the business of insurance in the state of Michigan. Respondent Jackson is the DRLP responsible for Respondent Agency's compliance with Michigan's insurance laws, rules and regulations.

The Department of Insurance and Financial Services (DIFS) received information that Respondent Jackson failed to report and provide the required documents to the Director regarding her criminal prosecution and conviction of a misdemeanor, and failed to respond to inquiries from DIFS Staff as required by the Michigan Insurance Code. Respondent Agency failed to provide this information on its application for property and casualty qualifications. After investigation and verification of the information, on February 10, 2017, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondents had provided justification for revocation of licensure and other sanctions pursuant to Sections 1239(1) and 1244(1)(a-d) of the Michigan Insurance Code (Code), MCL 500.1239(1) and 500.1244(1)(a-d). Respondents failed to reply to the NOSC.

On June 29, 2017, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondents at the addresses they are required to maintain with DIFS. The Order for Hearing required Respondent Jackson 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 Jackson planned to attend the hearing, or (3) request an adjournment. Respondents failed to respond or take any action.

On November 14, 2017, DIFS Staff filed a Motion for Final Decision. Respondents did not file a reply to the motion. Given Respondents' 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. At all relevant times, Respondent Kelita Yolanda Jackson (System ID No. 0745605) (Respondent Jackson) was a licensed resident insurance producer, with qualifications in casualty and property since January 6, 2016, and is authorized to transact the business of insurance in the state of Michigan.
2. At all relevant times, Respondent Jackson's Insurance Bureau Agency, LLC (System ID No. 0107875) (Respondent Agency) was a limited liability company and a licensed resident insurance producer agency, with qualifications in casualty and property since April 5, 2016, and is authorized to transact the business of insurance in the state of Michigan. Respondent Jackson serves as its designated responsible licensed producer (DRLP).
3. Respondent Jackson and Respondent Agency are collectively referred to as Respondents.
4. On or about January 22, 1997, Respondent Jackson pled guilty to, and was convicted of, theft (aid/abet), a misdemeanor, under Minnesota Statutes 256.98, in Hennepin County, State of Minnesota.
5. On or about December 31, 2015, Respondent Jackson submitted an application for an insurance producer license to DIFS. On the application, Respondent Jackson answered "No" in response to the question – "Convicted or charged with a misdemeanor?" As a result, Respondent Jackson failed to disclose being charged with a misdemeanor and her subsequent conviction of theft (aid/abet) as described in paragraph 4.
6. On or about October 15, 2015, Respondent Agency submitted an application for an insurance agency producer license to DIFS. Respondent Agency listed Respondent Jackson as its owner on the application, and Respondent Agency was required to disclose Respondent Jackson's conviction as described in paragraph 4 and did not.
7. On May 23, 2016, Respondent Jackson pled guilty to, and was convicted of, a violation of MCL 750.249b, uttering and publishing a document affecting real property, a felony, in the 3rd Judicial Circuit Court, Wayne County, Michigan.

8. On May 24, 2016, Respondent Jackson pled guilty to, and was convicted of, a violation of MCL 750.237a(4), possessing a weapon in a weapon-free school zone, a misdemeanor, in the 14B District Court, Washtenaw County, Michigan.
9. Neither Respondent Jackson nor Respondent Agency reported to the Director the criminal prosecutions described in paragraphs 7 and 8, and did not provide a copy of the initial complaints and other relevant legal documents to the Director.
10. On February 10, 2017, a Notice of Opportunity to Show Compliance was mailed by first class mail to Respondents at the following addresses on file: Kelita Yolanda Jackson, 3644 Burns Street, Inkster, MI 48141; Jackson's Insurance Bureau Agency, LLC, c/o Kelita Y. Jackson, Resident Agent, 3644 Burns Street, Inkster, MI 48141; and Jackson's Insurance Bureau Agency, LLC, c/o Kelita Y. Jackson, Resident Agent, PO Box 37552, Oak Park, MI 48237.
11. No response to the Notice of Opportunity to Show Compliance was received. The mailing addressed to Jackson's Insurance Bureau Agency, LLC, c/o Kelita Y. Jackson, Resident Agent, PO Box 37552, Oak Park, MI 48237 was "returned to sender" on March 13, 2017.
12. As licensees, Respondents knew or had reason to know that Section 1239(1)(a) of the Code, MCL 500.1239(1)(a), provides that the Director shall refuse to issue a license if an applicant provides incorrect, misleading, incomplete, or materially untrue information in the license application.
13. Respondent Jackson has provided justification for sanctions pursuant to Section 1239(1)(a) of the Code, MCL 500.1239(1)(a), by failing to disclose the following information on her application for property and casualty qualifications: her criminal prosecution and conviction of a misdemeanor, as described in paragraph 4.
14. Respondent Agency provided justification for sanctions pursuant to Section 1239(1)(a) of the Code, MCL 500.1239(1)(a), by failing to disclose the following information on its application for property and casualty qualifications regarding its owner, Respondent Jackson: her criminal prosecution and conviction of a misdemeanor, as described in paragraph 4.
15. As a licensee, Respondent Jackson knew or had reason to know that Section 1247(2) of the Code, MCL 500.1247(2), provides that an insurance producer shall report to the Director any criminal prosecution of the insurance producer taken in any jurisdiction, within 30 days after the initial hearing date, and shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.
16. Respondent Jackson violated Section 1247(2) of the Code, MCL 500.1247(2), by not providing the required documents, and by not reporting, to the Director, her criminal prosecutions for a violation of:
 - a. MCL 750.249b, uttering and publishing a document affecting real property, a felony, in the 3rd Judicial Circuit Court, Wayne County, Michigan; and
 - b. MCL 750.237a(4), possessing a weapon in a weapon-free schools zone, a misdemeanor, in the 14B District Court, Washtenaw County, Michigan.

17. Respondent Jackson provided justification for sanctions pursuant to Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), by violating Section 1247(2) of the Code, MCL 500.1247(2), failing to notify the Director of her criminal prosecutions, as described above in paragraphs 7, 8, and 9.
18. As a licensee, Respondent Jackson knew or had reason to know that Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), states:

In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

19. Respondent Jackson has demonstrated incompetence and untrustworthiness in the conduct of business and provided justification for sanctions pursuant to Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), by uttering and publishing a document affecting real estate in violation of MCL 750.249b, and failing to pay restitution in the amount of \$5,733.00, as court ordered on September 6, 2016.
20. Respondents knew or should have known that Section 1205(2)(b) of the Code, MCL 500.1205(2)(b), provides that each business entity must have a DRLP who is responsible for the business entity's compliance with Michigan's insurance laws, rules and regulations. Respondent Jackson is the owner and DRLP responsible for Respondent Agency's compliance with Michigan's insurance laws, rules and regulations.
21. Respondents knew or should have known that Section 1239(3), MCL 500.1239(3), provides that the license of a business entity may be suspended, revoked, or refused if the Director finds that an individual licensee's violation was known or should have been known by one or more of the partners, officers, or managers acting on behalf of the partnership or corporation and the violation was neither reported to the Director nor corrective action taken.
22. Respondent Agency provided justification for suspension or revocation of licensure when Respondent Jackson, as owner, agent, and/or DRLP of Respondent Jackson's Insurance Bureau Agency, knew or should have known that the activity outlined in paragraphs 9-11 and 18 was in violation of the Code and that on behalf of Respondent Agency she was required to report the violations to the Director or take corrective action, and did neither.

23. Based upon the actions listed above, Respondent Jackson has committed acts that provide justification for the Director to order the payment of a civil fine, and/or other licensing sanctions, including revocation of licensure.
24. On June 29, 2017, true copies of an Administrative Complaint, Order for Hearing, and Notice of Hearing were mailed by first class mail to Respondents at the following address of record on file with DIFS:

Kelita Yolanda Jackson
3644 Burns Street
Inkster, MI 48141

Jackson's Insurance Bureau Agency, LLC
c/o Kelita Y. Jackson, Resident Agent
3644 Burns Street
Inkster, MI 48141

Jackson's Insurance Bureau Agency, LLC
c/o Kelita Y. Jackson, Resident Agent
PO Box 37552
Oak Park, MI 48237

Kelita Yolanda Jackson



25. The above-referenced mailing addressed to PO Box 37552, Oak Park, MI 48237 was returned by the United States Postal Service, "Unable to Forward." The mailings sent to the remaining three addresses were not returned.
26. DIFS has not received a response from Respondents.
27. In paragraph 3 of the Order for Hearing, Respondents were ordered to do one of the following within 21 days of the date of the Order: 1) agree to a resolution with the opposing party, 2) file a response to the allegations in the Administrative Complaint, or 3) file a request for an adjournment. Paragraph 5 states that failure to make the required filing shall constitute the default of Respondents in this contested case.
28. Respondents have failed to take any of the actions required by paragraph 3 of the Order for Hearing. See Petitioner's Exhibit 1, Affidavit of Christy Capelin.
29. Despite DIFS Staff having made reasonable efforts to serve Respondents, and having complied with 500.1238(2), Respondents have failed to appear and defend.
30. DIFS Staff have made reasonable efforts to serve Respondents and have complied with MCL 500.1238(2).
31. Respondents have received notice and have been given an opportunity to respond and appear, but Respondents have not responded nor appeared.
32. Respondents are 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. Respondents shall cease and desist from violating the Code.
2. Respondents shall immediately cease and desist from engaging in the business of insurance.
3. Pursuant to MCL 500.249, MCL 500.1239(1)(b),(e) and (h), and MCL 500.1244(1)(d), Respondents' resident insurance producer licenses (System ID No. 0107875 and System ID No. 0745605) are **REVOKED**.

Anita G. Fox, Director
For the Director:



Randall S. Gregg, Senior Deputy Director