

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

**Allante Dequan Johnson**  
Unlicensed

Enforcement Case No. 18-15429

Respondent.

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Issued and entered  
on Feb 14, 2019  
by Teri L. Morante  
Chief 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(s) 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(s). As to any Respondent, this Order shall be effective upon the date of service.
3. Respondent(s) 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: Christy Capelin, 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(s).
5. If a hearing is requested, an administrative law judge from the Michigan Administrative Hearing System 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.



Teri L. Morante  
Chief Deputy Director

Dated: Feb. 14, 2019

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**STATEMENT OF FINDINGS**

1. Pursuant to Section 251(1) of the Code, 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 Section 1201a(1) of the Code, it is a violation for a person to sell, solicit, or negotiate insurance in this state for any line of insurance without first obtaining a license or qualification for that line. MCL 500.1201a(1).
  - 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, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers. MCL 500.1201(k).
  - 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(l).
  - 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(m).

3. Under Section 1208a(1) of the Code, an insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. MCL 500.1208a(1).
4. DIFS Staff received information about possible unlicensed activity by Allante Dequan Johnson (Respondent). A review of DIFS' records revealed that Respondent is not licensed under the Code.
5. After an investigation, DIFS' staff concluded that Respondent has engaged in activities regulated by the Code, without the requisite license, and has violated the insurance laws of this state.
6. On July 30, 2018, Agent Patrick Schneider (Agent Schneider) from the Michigan Department of State (MDOS), provided DIFS Investigator Simon with a copy of an investigation report involving Respondent selling fraudulent insurance out of his car.
7. On March 8, 2018, VJ purchased auto insurance for five vehicles from Respondent. VJ received a \$1,200.00 quote from Respondent over the telephone. VJ subsequently met Respondent at a Rite Aid located at 1900 East 8 Mile Road, Detroit, MI 48234.
8. Agent Schneider presented VJ with a photo of Respondent and VJ confirmed that Respondent was the man who had sold him the insurance.
9. On July 31, 2018, MDOS provided DIFS Investigator Simon with a copy of one of the policies purchased by VJ from Respondent. The proof of insurance listed the following:
  - a. Insurer: AAA
  - b. Policy Number: AUTO 71448585
  - c. Policy Term: March 8, 2018 to March 5, 2019
  - d. Producer: David Sanders
  - e. Producer Phone Number: [REDACTED]
  - f. Insured: New Hope Skill Center Ministry Inc
10. On July 31, 2018, MDOS provided DIFS Investigator Simon with copies of proofs of insurance that Respondent had submitted to MDOS when registering vehicles. Two of the proofs of insurance listed the following fraudulent information:
  - a. Insurer: AAA
  - b. Policy Number: AUTO 71448585
  - c. Policy Term: March 12, 2018 to August 9, 2018
  - d. Producer: David Sanders
  - e. Producer Phone Number: [REDACTED]
  - f. Insured: Allante Johnson
  - g. Vehicle: 2011 Chevy Camaro
  - h. Insurer: State Farm
  - i. Policy Number: 22-6754-R34
  - j. Agency: Matthew Adams Insurance Agency
  - k. Agency Phone Number: [REDACTED]
  - l. Insured: Allante Johnson

m. Vehicle: 2014 Chevy Cruz

11. Respondent's auto insurance policy number for his 2011 Chevy Camaro is the same policy number on the fraudulent proof of insurance Respondent provided to VJ.
12. The phone number listed for Matthew Adams Insurance Agency matches the phone number listed for David Sanders.
13. These proofs of insurance presented by Respondent bear similar characteristics to over 300 fraudulent certificates submitted to MDOS between February 2, 2018, and July 13, 2018, namely that it identifies David Sanders as the producer for a AAA insurance policy.
14. VJ provided \$1,200.00 for the underwriting of automobile insurance policies. While being unlicensed to act as an insurance producer, Respondent collected the \$1,200.00 and in exchange provided VJ with fraudulent proofs of insurances for five policies. Respondent failed to apply the funds received towards any insurance policies. Accordingly, Respondent is in violation of MCL 500.1201a(1) and MCL 500.4503(g)(i).
15. By selling insurance to and accepting money from VJ, Respondent, as an unlicensed producer, violated Section 1201a(1) of the Code, MCL 500.1201a(1).
16. Respondent committed fraudulent insurance acts, violating Section 4503(g)(i) of the Code, MCL 500.4503(g)(i), when he sold insurance policies to VJ, telling VJ that the money Respondent collected would be applied towards insurance policies, when it was not.
17. Based on the aforementioned findings, Respondent is acting as an insurance producer, solicitor, adjuster, or counselor without a license as required by the Code.
18. Respondent is subject to sanctions under Sections 150, 1239(1)(b) and 1244 of the Code, MCL 500.150, 500.1239(1)(b) and 500.1244. Furthermore, if the above facts are found to be true, Respondent's violation of Section 4503(g)(i) of the Code may also be considered a felony under Section 4511 of the Code, MCL 500.4511.
19. 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 the Respondent has not received authority or given notification.