

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Before the Director of the Department of Insurance and Financial Services

In the matter of:

Jeffrey Bahri
System ID No. 0346099,

Enforcement Case No. 20-16107

Dillon Gorges
System ID No. 0805545,

Nasem Issak
System ID No. 0275938,

LA Insurance Agency 135, LLC
System ID No. 0084230,

Respondents.

_____ /

Issued and entered
On May 4, 2021
by Randall S. Gregg
Senior 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 Senior Deputy Director finds and concludes that:

1. The Senior Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation 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. Respondent LA INSURANCE AGENCY 135, LLC (System ID No. 0084230) (LA 135) is a licensed resident insurance producer agency with qualifications in casualty and property. Its principal place of business is located at 5808 S Wayne Road, Romulus, MI 48174.
3. Respondent JEFFREY BAHRI (System ID No. 0346099) (Bahri) is a licensed resident insurance producer with qualifications in casualty and property who was employed by LA 135 as an insurance producer during the time period relevant to this action. Bahri also served as a Designated Responsible Licensed Producer (DRLP) for LA 135 during the time period relevant to this action.
4. Respondent DILLON GORGES (System ID No. 0805545) (Gorges) is a licensed resident insurance producer with qualifications in casualty and property who was employed by LA 135 as an insurance producer during the time period relevant to this action.

5. Respondent NASEM ISSAK (System ID No. 0275938) (Issak) is a licensed resident insurance producer with qualifications in casualty and property. Issak is an owner of LA 135 and served as a DRLP for it during the time period relevant to this action.
6. Bahri, Gorges, Issak, and LA 135 are collectively herein referred to as Respondents.
7. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
8. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
9. All applicable provisions of the APA have been met.
10. Respondents neither admit nor deny the allegations contained in the Notice of Opportunity to Show Compliance (NOSC) nor the findings contained in this Order set forth below, but have agreed to the entry of this Order to fully resolve the above-captioned enforcement case.
11. Based on its investigation of the above-captioned enforcement case, DIFS finds as follows:
 - a. LA 135 either sells or sold Nation Safe Drivers (NSD) travel club memberships in conjunction with the sale of DIFS-approved insurance policies. An NSD travel club membership was an optional ancillary product and the purchase of such a membership was not required to purchase a DIFS-approved insurance policy during the timeframe relative to this action.
 - b. Respondents Bahri, Gorges, and LA 135 misled customers by: (1) providing them quotes for automobile insurance that actually represented the cost of both automobile insurance and NSD club memberships; (2) providing them receipts that falsely indicated that the entirety of their payments was being applied to the purchase of automobile insurance; (3) failing to fully inform or explain to them that they were soliciting and/or selling them optional NSD club memberships that were not required for the purchase of automobile insurance; (4) including NSD club membership paperwork as part of their transactions even though the purchase of a membership was never discussed with or agreed to by them; and (5) providing quote forms to them that made it falsely appear as if there was no option for a payment plan policy that did not include an NSD club membership.
 - c. As a DRLP for LA 135, Respondent Issak either knew or should have known that Respondents Bahri, Gorges, and LA 135 engaged in deception by selling customers NSD club memberships without obtaining their informed consent to the sales.
12. Based on the foregoing findings, the Senior Deputy Director finds and concludes that Respondents have committed acts under the Code that provide justification for the Director to order licensing sanctions according to Sections 1239(1)(b), (1)(c), (1)(g), and (5) and 1244(1)(a-d) of the Code, MCL 500.1239(1)(b), (1)(c), (1)(g) and (5), and 500.1244(1)(a-d).

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

1. The Stipulation to Entry of Order and all agreements contained therein are accepted in their entirety.
2. Respondent LA 135 shall pay a civil fine of \$1,100.00 within 30 days of the issuance of a DIFS invoice for said amount. The invoice must accompany the payment. Additionally, LA 135 shall provide restitution to all customers cited in the NOSC for whom a refund of the cost of the NSD club membership has not been previously provided. The restitution shall consist of a refund of the purchase price of the NSD club membership and must be provided to the customers within 30 days of the issuance of this Order. LA 135 shall provide a full accounting to DIFS within 45 days of the signing of the Order as to its compliance with restitution, including the names of customers, amounts paid, and dates paid.
3. Respondent Jeffrey Bahri shall pay a civil fine of \$1,100.00 within 30 days of the issuance of a DIFS invoice for said amount. The invoice must accompany the payment.
4. Respondent Dillon Gorges shall pay a civil fine of \$2,200.00 within 30 days of the issuance of a DIFS invoice for said amount. The invoice must accompany the payment.
5. Respondent Nasem Issak shall pay a civil fine of \$500.00 within 30 days of the issuance of a DIFS invoice for said amount. The invoice must accompany the payment.
6. Within 30 days of the execution of this agreement, LA 135 shall develop and implement a written internal procedure with respect to the sale of ancillary products in conjunction with or contemporaneously with insurance. The goal of the procedure is to ensure that the Code is not violated in the future in the manner described above and that the informed consent of the customer has been obtained prior to the sale of the ancillary product. The procedure must communicate to LA 135 staff that the sale of an insurance policy cannot be conditioned upon the purchase of an ancillary product.
7. The Senior Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further orders 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 constitutes an independent violation of the Code and may result in the commencement of additional proceedings that could impose additional penalties, including revocation of licensure.



Randall S. Gregg
Senior Deputy Director

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STIPULATION TO ENTRY OF ORDER

Petitioner DIFS and Respondents Jeffrey Bahri, Dillon Gorges, Nasem Issak, and LA Insurance Agency 135, LLC, stipulate to the following:

1. On or about September 21, 2020, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) in the above-captioned enforcement case. DIFS alleged that Respondents engaged in actions in violation of Section 1207(1) of the Code, MCL 500.1207(1) and acts that gave rise to sanctions pursuant to Sections 1239(1)(b), (1)(c), (1)(g), and (5) of the Code, MCL 500.1239(1)(b), (1)(c), (1)(g), and (5). DIFS' factual assertions were essentially that Respondents sold NSD club memberships without obtaining the informed consent of customers.
2. Without admitting to any of the allegations set forth above, Respondents have reviewed and voluntarily consented to the entry of the Order Accepting Stipulation that will be entered in this enforcement case.
3. Respondents understand that this Stipulation will be presented to the Senior Deputy Director for approval and that the Senior Deputy Director may or may not approve and adopt it. Respondents further agree that the Senior Deputy Director has jurisdiction and authority to approve and adopt this Stipulation.
4. Respondents understand that, by agreeing to this Stipulation to Entry of Order, they are waiving the right, pursuant to the Code, the rules promulgated thereto, and the Michigan Administrative Procedures Act of 1969 (APA), to a hearing before an administrative law judge, at which DIFS would be required to prove the charges set forth by presentation of evidence and legal authority and at which Respondents would be entitled to appear, to cross-examine all witnesses presented by DIFS,

and to present such testimony or other evidence or legal authority deemed appropriate as a defense to said charges.

5. Respondents waive any objection to the Director deciding this case following a Michigan Office of Administrative Hearings and Rules hearing in the event that the Stipulation to Entry of Order is not approved.
6. The parties agree that the Stipulation to Entry of Order represents the full and complete agreement of the parties in this matter and, in the event that the Stipulation is accepted by the Senior Deputy Director, shall completely resolve the enforcement case captioned above.




Jeffrey Bahri, Respondent
System ID No. 0346099
Date 4/20/2021



Dillon Gorges, Respondent
System ID No. 0805545
Date 4/20/2021



Nasem Issak, Respondent
System ID No. 0275938
Date 4/21/2021



LA Insurance Agency 135, LLC, Respondent
System ID No. 0084230
Date 4/21/2021



John Rolecki (P78460)
Attorney for Respondents
Date 4/22/2021

Gary Grant (P76261)
DIFS Staff Attorney
Date _____

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System ID No. 0346099

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LA Insurance Agency 135, LLC, Respondent
System ID No. 0084230

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John Rolecki (P78460)
Attorney for Respondents

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Gary Grant (P76261)
DIFS Staff Attorney

Date