

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

In the matter of:

**Brent Hermiz**  
System ID No. 0386895

**Enforcement Case No. 17-15034**

**Jonetta Marie Bills**  
System ID No. 0637458

**LA Insurance Agency 195**  
System ID No. 0090819

Respondents.  
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Issued and entered  
on January 13, 2020  
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 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. LA Insurance Agency 195 (System ID No. 0090819) (LA 195) is a licensed resident insurance agency producer. Its principal place of business is located at 3318 Stadium Drive, Kalamazoo, Michigan 49007.
3. Respondent Brent Hermiz (System ID No. 0386895) (Hermiz) is a licensed resident insurance producer. Hermiz served as a Designated Responsible Licensed Producer (DRLP) for LA 195 during all periods relevant to this enforcement action.
4. Respondent Jonetta Marie Bills (System ID No. 0637458) (Bills) is a licensed resident insurance producer.
5. LA 195, Hermiz, and Bills are collectively herein referred to as the Respondents.
6. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
7. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.

8. All applicable provisions of the APA have been met.
9. 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.
  - a. LA 195 either sells or sold Nation Safe Drivers (NSD) motor club and travel club memberships in conjunction with the sale of DIFS-approved insurance policies. An NSD 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 Jonetta Marie Bills, and Brent Hermiz misled customers by failing to fully disclose and explain to them that: (1) they were soliciting the purchase of NSD club memberships; (2) automobile insurance could be purchased irrespective of whether an NSD club membership was purchased; and (3) a portion of the monies they were providing for the payment of automobile insurance premiums was being applied toward the purchase of NSD club memberships.
  - c. Respondent LA 195 either knew or should have known that Respondents Bills and Hermiz were engaged in deception by selling customers NSD club memberships without obtaining their informed consent to the sales.
10. 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 1207(1), 1239(1)(b), (1)(d), (1)(e), (1)(h), (3), and (5) and 1244(1)(a-d) of the Code, MCL 500.1207(1), 500.1239(1)(b), (1)(d), (1)(e), (1)(h), (3) 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 195 shall pay a civil fine of \$3,350.00 within thirty days of the issuance of a DIFS invoice for said amount. Additionally, it 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 thirty days of the issuance of this Order. LA 195 will provide a full accounting to DIFS within 45 days of the signing of the Order as to their compliance with restitution, including the names of customers, amounts paid, and dates paid.
3. Respondent Jonetta Bills shall pay a civil fine of \$17,500.00 within sixty days of the issuance of a DIFS invoice for said amount.

4. Respondent Brent Hermiz shall pay a civil fine of \$15,000.00 within sixty days of the issuance of a DIFS invoice for said amount.
5. Within thirty days of the execution of this agreement, LA 195 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 in paragraphs 9-10 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 195 staff that the sale of an insurance policy cannot be conditioned upon the purchase of an ancillary product.
6. 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.



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Randall S. Gregg  
Senior Deputy Director

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Respondents.  
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**STIPULATION TO ENTRY OF ORDER**

Petitioner, DIFS, and Respondents, LA Insurance Agency 195, Jonetta Marie Bills, and Brent Hermiz, stipulate to the following:


1. On or about April 23, 2018, 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 Sections 1207(1) of the Code, MCL 500.1207(1) and acts that gave rise to sanctions pursuant to Sections 1239(1)(b), (1)(d), (1)(e), (1)(h), and (3) of the Code, MCL 500.1239(1)(b), (1)(d), (1)(e), (1)(h), and (3). DIFS' factual assertions were essentially that Respondents sold NSD club memberships in conjunction with insurance transactions and failed to obtain the informed consent of customers to the sale of said memberships.
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 the above-captioned enforcement case.
3. Respondents understand that this Stipulation will be presented to the Senior Deputy Director for approval and the Senior Deputy Director may or may not approve and adopt it.
4. Respondents agree that the Senior Deputy Director has jurisdiction and authority to approve and adopt this Stipulation pursuant to the Code.
5. 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 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.

6. Respondents waive any objection to the Director deciding this case following a Michigan Office of Administrative Hearings and Rules hearing in the event the Stipulation to Entry of Order is not approved.

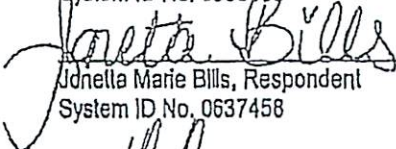
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7. The parties agree that the Stipulation to Entry of Order represents the full and complete agreement of the parties in this matter and, in the event that the Stipulation is accepted by the Chief Deputy Director, shall completely resolve the enforcement case captioned above.


Senior  
1-8-2020

  
Brent Hermiz, Respondent  
System ID No. 0386895


1/7/2020  
Date

  
Jonetta Marie Bills, Respondent  
System ID No. 0637458

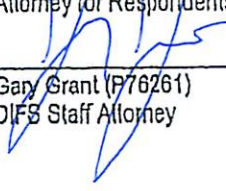
1/6/2020  
Date

  
LA Insurance Agency 195, Respondent  
System ID No. 0090819

1/7/2020  
Date

  
John Rotecki (P78460)  
Attorney for Respondents

1/8/2020  
Date

  
Gary Grant (P76261)  
DIFS Staff Attorney

1-8-2020  
Date