

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

In the matter of:

**Raffi Muschegian**  
System ID No. 0148019

**Enforcement Case No. 18-15356**

**Sehir Zaya**  
System ID No. 0661364

**LA Insurance Agency 240, LLC**  
System ID No. 0100452

Respondents.

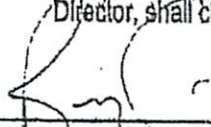
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**STIPULATION TO ENTRY OF ORDER**

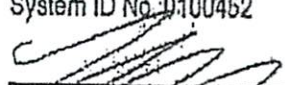
Petitioner DIFS and Respondents Raffi Muschegian, Sehir Zaya, and LA Insurance Agency 240, LLC, stipulate to the following:

1. On or about October 8, 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 Respondent Zaya sold NSD travel club memberships in conjunction with insurance transactions and failed to obtain the informed consent of customers to the sale of said memberships. It was further alleged that Respondents Muschegian and LA 240 either knew or should have known that Respondent Zaya was engaged in the deceptive conduct cited above.
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 above.
3. Respondents understand that this Stipulation will be presented to the Chief Deputy Director for approval and the Chief Deputy Director may or may not approve and adopt it.
4. Respondents agree that the Chief 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.

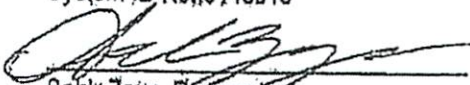
6. Respondents waive any objection to the Director deciding this case following a MAHS hearing in the event the Stipulation to Entry of Order is not approved.
7. The parties agree that the Stipulation to Entry of Order represents the full and complete agreement of the parties in this matter and, in the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

  
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LA Insurance Agency 240, Respondent  
System ID No. 0100452

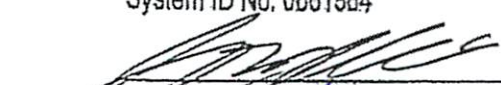
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Date

  
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Raffi Mutschegian, Respondent  
System ID No. 0148019

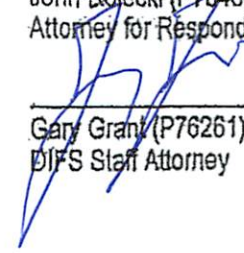
8/21/19  
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Sehri Zaya, Respondent  
System ID No. 0881364

11/14/19 83  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
John Botecki (P78460)  
Attorney for Respondents

11/13/2019  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Gary Grant (P76261)  
DIFS Staff Attorney

11-15-19  
\_\_\_\_\_  
Date

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

In the matter of:

**Raffi Muschegian**  
System ID No. 0148019

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**Sehir Zaya**  
System ID No. 0661364

**LA Insurance Agency 240, LLC**  
System ID No. 0100452

Respondents.

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Issued and entered  
on November 20, 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. Respondent SEHIR ZAYA (System ID No. 0661364) (Zaya) is a licensed resident insurance producer.
3. Respondent LA INSURANCE AGENCY 240, LLC (System ID No. 0100452) (LA 240) is a licensed resident insurance producer agency. Its principal place of business is located at 24490 W 10 Mile Road, Southfield, MI 48034.
4. Respondent RAFFI MUSCHEGIAN (System ID No. 0148019) (Muschegian) is a licensed resident insurance producer. During all times relevant to this enforcement action, Muschegian served as a Designated Responsible Licensed Producer (DRLP) for LA 240.
5. Muschegian, Zaya, and LA 240 are collectively herein referred to as 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.
10. Based on its investigation of the above-captioned enforcement case, DIFS finds as follows:
  - a. LA 240 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. Respondent Zaya misled customers by: (1) providing quotes for automobile insurance to the customers that actually represented the cost of both automobile insurance and NSD travel club memberships; (2) falsely informing the customers that NSD travel club memberships were included as a part of their policies at no additional charge; (3) failing to fully inform or explain to customers that she was soliciting and/or selling them optional NSD travel club memberships that were not required for the purchase of automobile insurance; and (4) including NSD paperwork as part of customer transactions requiring signature even though the purchase of NSD travel club memberships was never discussed with or agreed to by the customers.
  - c. Respondents Raffi Muschegian and LA 240 either knew or should have known that Respondent Zaya was engaged in the deceptive practices set forth above.
11. Based on the foregoing findings, the Chief 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), and (3), and 1244(1)(a-d) of the Code, MCL 500.1207(1), 500.1239(1)(b), (1)(d), (1)(e), (1)(h), and (3), 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 240 shall pay a civil fine of \$1000.00 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 has not been previously provided. The restitution shall consist of a refund of the purchase price of the NSD and must be provided to the customers within thirty days of the issuance of this Order. LA 240 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 Sehir Zaya shall pay a civil fine of \$6,500.00 within thirty days of the issuance of a DIFS invoice for said amount.
4. Respondent Raffi Muschegian shall pay a civil fine of \$670.00 within thirty days of the issuance of a DIFS invoice for said amount.
5. Within thirty days of the execution of this agreement, LA 240 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 should be to ensure that the Code is not violated in the future in the manner described in paragraphs 10-11 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 240 staff that the sale of an insurance policy cannot be conditioned upon the purchase of an ancillary product.
6. The Chief 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.

  
Teri L. Morante  
Chief Deputy Director