

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Terry Hoover
System ID No. 0777888

Enforcement Case No. 17-15023

Nicole Steel
System ID No. 0823617

LA Insurance Agency 248 LLC
System ID No. 0102101

Respondents.

_____ /

**Issued and entered
on November 9, 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. Respondent LA INSURANCE AGENCY 248, LLC (System ID No. 0102101) (LA 248) is a licensed resident insurance producer agency with qualifications in casualty and property. Its principal place of business is located at 21745 W 8 Mile Road, Detroit, MI 48219.
3. Respondent Terry Hoover (System ID No. 0777888) (Hoover) is a licensed resident insurance producer with qualifications in casualty and property.
4. Respondent Nicole Steel (System ID No. 0823617) (Steel) is a licensed resident insurance producer with qualifications in casualty and property.
5. LA 248, Hoover, and Steel 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.
 - a. LA 248 either sells or sold Nation Safe Drivers (NSD) motor club and travel club memberships in conjunction with the sale of DIFS-approved insurance policies. NSD motor club and travel club memberships are optional ancillary products and the purchase of a membership was not required to purchase a DIFS-approved insurance policy during the timeframe relative to this action. Moreover, a customer's decision on whether to purchase an NSD motor club or travel club membership has no impact on the cost of a DIFS-approved insurance policy.
 - b. Hoover and Steel misled customers by failing to fully disclose and explain to them that: (1) they were soliciting the purchase of NSD travel and motor club memberships; (2) automobile insurance could be purchased irrespective of whether an NSD travel or motor club membership was purchased; and (3) a portion of the monies the customers were providing for the payment of automobile insurance premiums was being applied toward the purchase of NSD travel and motor club memberships.
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)(c), (1)(g), and (5), and 1244(1)(a-d) of the Code, MCL 500.1207(1), 500.1239(1)(c) and (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 Hoover shall pay a civil fine of \$14,300.00 within thirty days of the issuance of a DIFS invoice for said amount.
3. Respondent Steel shall pay a civil fine of \$1,100.00 within thirty days of the issuance of a DIFS invoice for said amount.
4. Respondent LA 248 shall pay a civil fine of \$500.00 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 248 will 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.

5. Within thirty days of the execution of this agreement, LA 248 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 248 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.



Randall S. Gregg
Senior Deputy Director

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STIPULATION TO ENTRY OF ORDER

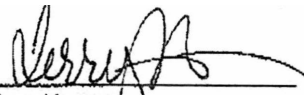
Petitioner Department of Insurance and Financial Services (DIFS) and Respondents Terry Hoover (System ID No. 0777888), Nicole Steel (System ID No. 0823617), and LA Insurance Agency 248, LLC (System Id No. 0102101) stipulate to the following:

1. On or about July 2, 2018, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) in the above-captioned enforcement case, naming Hoover, Steel, LA 248, Fateh Alchy (System ID No. 0209457), and Ara Nishanian (System ID No. 0248407) as Respondents. 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)(c), (1)(g), and (5) of the Code, MCL 500.1239(1)(c), (1)(g), and (5). DIFS' factual assertions were essentially that Respondents 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. Subsequent to the issuance of the NOSC, DIFS declined to pursue enforcement actions against Fateh Alchy and Ara Nishanian; however, the enforcement case against the Respondents captioned above continued.
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

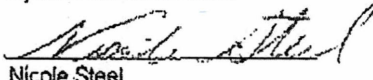
17-15023

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.

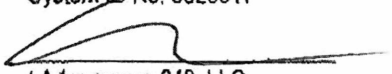
5. Respondents waive any objection to the Director deciding this case following a Michigan Office of Administrative Hearings and Rules hearing in the event that the Stipulation to Entry of Order is not approved.
6. The parties agree that the Stipulation to Entry of Order represents the full and complete 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.


Terry Hoover
System ID No. 0777888

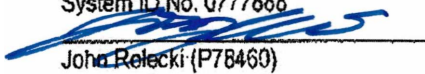
10/14/2020
Date


Nicole Steel
System ID No. 0823617

10/14/2020
Date


LA Insurance 249, LLC
System ID No. 0777888

10/14/2020
Date


John Relecki (P78460)
Attorney for Respondents

10/14/2020
Date

Gary Grant (P76261)
Attorney for DIFS

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Terry Hoover
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Nicole Steel
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LA Insurance 248, LLC
System ID No. 0777888

Date

John Rolecki (P78460)
Attorney for Respondents

Date



Gary Grant (P76261)
Attorney for DIFS

November 9, 2020
Date