

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Lovell Borom, Jr.  
System ID No.: 0754104

Enforcement Case No. 16-14490

Respondent.  
\_\_\_\_\_ /

Issued and entered  
on July 19, 2016  
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 Finding, 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 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 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: Valerie Donally, Hearings Clerk, 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.
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.

Dated: \_\_\_\_\_

July 19, 2016

Teri L. Morante  
Teri L. Morante  
Chief Deputy Director

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

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**Lovell Borom, Jr.**  
System ID No.: 0754104

**Enforcement Case No. 16-14490**

Respondent.

\_\_\_\_\_ /

**STATEMENT OF FINDINGS**

1. Pursuant to Executive Order 2013-1 all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation have been transferred to the Director of the Department of Insurance and Financial Services (DIFS).
2. 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).
3. Under Section 1201a 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).
  - d. “Person” means an individual, insurer, company, association, organization, Lloyds, society, reciprocal or inter-insurance exchange, partnership, syndicate, business trust, corporation, and any other legal entity. MCL 500.114.
4. Respondent Lovell Borom, Jr. is not licensed to sell, solicit or negotiate insurance in the state of Michigan.
  5. DIFS has information that Respondent is soliciting, selling and negotiating auto insurance in the parking lot of an LA Insurance Agency located at 2391 Eureka Avenue, Taylor, MI 48180.
  6. DIFS’ investigation revealed that Respondent posted to his Instagram account that he can bind insurance coverage for a 6-month term in under an hour. His posts are filled with advertisements for insurance, insurance quotes and no-fault auto and are accompanied by several LA Insurance store front pictures to legitimize his insurance sales. Respondent has no relationship with the LA Insurance Agency and was not authorized to use photos of the LA Insurance Agency to solicit insurance business.
  7. After investigation, DIFS’ staff conclude that Respondent has engaged in activities regulated by the Code, without the requisite license, and has violated the insurance laws of this state.
  8. Respondent is holding himself out to the public as being able to lawfully sell, solicit and negotiate automobile insurance policies. Respondent advertises that he sells automobile insurance policies at LA Insurance in violation of Section 1201a(1) of the Code, MCL 500.1201a(1). The Code requires proper licensure to sell and solicit automobile insurance policies, accept premium in exchange for certificates of insurance and bind insurance coverages.
  9. Based on the aforementioned findings, Respondent is acting as an insurance producer, solicitor, adjuster, or counselor without a license as required by the Code.

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

**Lovell Borom, Jr.**  
System ID No.: 0754104

**Enforcement Case No. 16-14490**

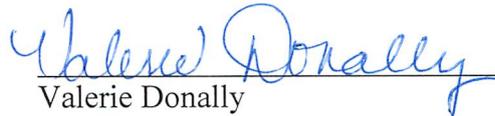
Respondent.

\_\_\_\_\_ /

**CERTIFICATE OF SERVICE**

I certify that on July 20, 2016, I served a copy of the ORDER TO CEASE AND DESIST WITH STATEMENT OF FINDINGS and NOTICE OF OPPORTUNITY FOR HEARING, upon the following party(s) by depositing same in a United States Postal Depository in the City of Lansing, Michigan, enclosed in an envelope, first class mail, bearing postage fully prepaid, and plainly addressed as follows:

Lovell M. Borom Jr.  
1715 Lexington Parkway  
Inkster, MI 48141



\_\_\_\_\_  
Valerie Donally  
Legal Secretary, Office of General Counsel