

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

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

In the matter of:

**David Allen McQuarrie**  
System ID No. 0030717

**Enforcement Case No. 19-15497**

Respondent.

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Issued and entered  
on April 12, 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. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. All applicable provisions of the APA have been met.
4. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
5. David Allen McQuarrie (Respondent) is a licensed resident insurance producer with qualifications in life, accident and health, property and casualty, crop, and variable annuities. Respondent has been licensed since May 6, 1977.
6. On March 29, 2018, Respondent was convicted after a jury trial in the United States District Court, Eastern District of Michigan, Northern Division, Case No. 16-CR-20499 of the following felonies:
  - a. Count 11: Bankruptcy Fraud – Concealment of Assets, 18 U.S.C. §157(7) and 18 U.S.C. §2;
  - b. Count 12: Conspiracy to Commit Bankruptcy Fraud, 18 U.S.C. §371;
  - c. Count 14: Wire Fraud, 18 U.S.C. §1343 and 18 U.S.C. §2.

7. The Respondent was convicted of conspiring with and aiding and abetting Respondent's son, surrounding his attempted bankruptcy proceedings, in the concealment of assets, concealing money from the sale of assets, and allowing Respondent to conceal money in financial accounts belonging to Respondent. Respondent utilized the means of wire communication interstate commerce to effectuate these crimes or portions of the crimes. Some of the fraudulent acts encompassed activity in operation of Respondent's businesses.
8. Respondent was first indicted on these charges on June 8, 2017. There were many subsequent indictments along with multiple pretrial conferences up until Respondent's jury trial conviction on March 29, 2018.
9. Respondent has not notified DIFS of the criminal action against him, nor provided copies of the criminal complaint against him.
10. As a licensee, Respondent knew or had reason to know that Section 1247(2) of the Code, MCL 500.1247(2), requires a licensee to report and provide DIFS with copies of criminal actions against a licensee within 30 days of the pretrial date.
11. Respondent violated Section 1247(2) of the Code by failing to notify DIFS of his criminal charges, provide copies of criminal actions against him, and notify DIFS of his March 29, 2018 felony convictions of Count 11 – Bankruptcy Fraud – Concealment of Assets; Count 12 – Conspiracy to Commit Bankruptcy Fraud; and Count 14 – Wire Fraud.
12. As a licensee, Respondent knew or had reason to know that Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), provides that he may be sanctioned for violating any insurance laws. As set forth above, Respondent has violated Section 1247(2) of the Code, MCL 500.1247(2) and, thus, provided justification for sanctions, pursuant to Section 1239(1)(b) of the Code, MCL 500.1239(1)(b).
13. As a licensee, Respondent knew or had reason to know that Section 1239(1)(f) of the Code, MCL 500.1239(1)(f), provides that he may be sanctioned for having been convicted of a felony. As set forth above, Respondent was convicted of Count 11 – Bankruptcy Fraud – Concealment of Assets; Count 12 – Conspiracy to Commit Bankruptcy Fraud; and Count 14 – Wire Fraud, all felonies, in the United States District Court, Eastern District of Michigan, Northern Division and, thus, provided justification for sanctions, pursuant to Section 1239(1)(f) of the Code, MCL 500.1239(1)(f).
14. As a licensee, Respondent knew or had reason to know that Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), provides that he may be sanctioned for “[u]sing fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.” The nature of, and actions giving rise to, Respondent's felony convictions demonstrate fraudulent and dishonest practices and untrustworthiness in the conduct of business and, thus, provided justification for sanctions, pursuant to Section 1239(1)(h) of the Code, MCL 500.1239(1)(h).
15. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order licensing sanctions according to Sections 1239(1)(b), (1)(f), and (1)(h) and 1244(1)(d) of the Code, MCL 500.1239(1)(b), (1)(f), and (1)(h) and 500.1244(1)(d).

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

1. All agreements contained in the Stipulation to Entry of Order are accepted and adopted in their entirety.
2. Respondent David Allen McQuarrie's resident insurance producers license shall be **REVOKED**, effective immediately upon the issuance of this Order
3. The Chief Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) 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 may result in the commencement of additional proceedings.

  
Teri L. Morante  
Chief Deputy Director

**STATE OF MICHIGAN  
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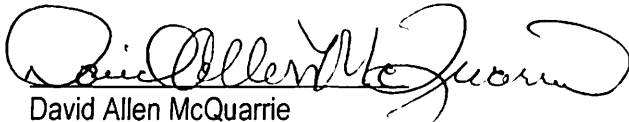
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**STIPULATION TO ENTRY OF ORDER**

Petitioner Department of Insurance and Financial Services (DIFS) and Respondent David Allen McQuarrie stipulate to the following:

1. David Allen McQuarrie (System ID No. 0030717) (Respondent) is a licensed resident insurance producer.
2. On or about March 18, 2019, DIFS served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent violated provisions of the Michigan Insurance Code (Code) by failing to report his March 29, 2018, felony convictions of Count 11 – Bankruptcy Fraud – Concealment of Assets; Count 12 – Conspiracy to Commit Bankruptcy Fraud; and Count 14 – Wire Fraud. DIFS asserts that this action constituted a violation of Section 1247(2) of the Code, MCL 500.1247(2) and gave rise to sanctions pursuant to Sections 1239(1)(b), (1)(f), and (1)(h) and 1244(1)(a-d) of the Code, MCL 500.1239(1)(b), (1)(f), and (1)(h) and 500.1244(1)(a-d).
3. Respondent admits to the allegations above and has agreed to the entry of a stipulated order for the purpose of resolving this matter.
4. Respondent admits that all parties have complied with the procedural requirements of the Michigan Administrative Procedures Act (APA), MCL 24.201 et seq. and the Code.
5. Respondent waives his right to a hearing under the Code.
6. Respondent agrees that his Michigan insurance producer license will be REVOKED effective immediately upon the issuance of the Order Accepting Stipulation and that he will not seek relicensing in the State of Michigan.
7. Respondent has had an opportunity to review this Stipulation to Entry of Order and the proposed Order Accepting Stipulation and have the same reviewed by legal counsel.
8. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.

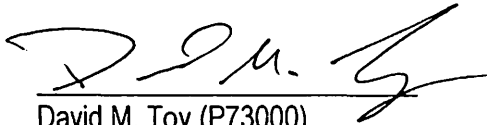
9. Respondent understands and agrees that the Chief Deputy Director may, in her sole discretion, decide to accept or reject this Stipulation to Entry of Order. If the Chief Deputy Director accepts the Stipulation to Entry of Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Order Accepting Stipulation. If the Chief Deputy Director does not accept the Stipulation to Entry of Order, Respondent waives any objection to the Director holding a formal administrative hearing and making a decision after such hearing.



David Allen McQuarrie  
System ID No. 0030717

3-25-19  
Date

DIFS Staff approve this Stipulation and recommend that the Chief Deputy Director accept it and issue an Order Accepting Stipulation.



David M. Toy (P73000)  
DIFS Staff Attorney

4/8/19  
Date