

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

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Donovan Thompson
Unlicensed

Enforcement Case No. 19-15554

Respondent.
_____ /

Issued and entered
on May 3, 2019
by Teri L. Morante
Chief Deputy Director

**ORDER TO CEASE AND DESIST WITH STATEMENT OF FINDINGS
AND NOTICE OF OPPORTUNITY FOR HEARING**

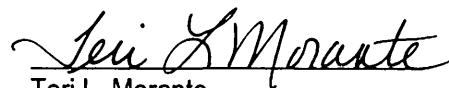
Pursuant to Section 251 of the Michigan Insurance Code (Code), MCL 500.251, and after reviewing evidence of the conduct described in the attached Statement of Findings, and

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. 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: Christy Capelin, Hearings Coordinator, 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.



Teri L. Morante
Chief Deputy Director

Dated: May 3, 2019

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STATEMENT OF FINDINGS

1. 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).

2. Under Section 1201a(1) 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).
3. DIFS Staff received information about possible unlicensed activity by Donovan Thompson (Respondent). A review of DIFS' records revealed that Respondent is not licensed under the Code.
4. After an investigation, DIFS' staff concluded that Respondent has engaged in activities regulated by the Code, without the requisite license, and has violated the insurance laws of this state.
5. Complainant alleges that he was referred to a man named "Joe," and that "Joe" told Complainant he was an agent for Advasure Insurance Agency. Complainant contacted "Joe" via telephone and was solicited to purchase a no-fault insurance policy for \$300.
6. On October 2, 2018, Respondent met Complainant at the dealership where Complainant was purchasing his new vehicle and portrayed himself to Complainant as the liaison between Complainant and "Joe". Respondent told Complainant that "Joe" was Respondent's uncle. Respondent provided Complainant with a proof of insurance and informed Complainant that he would receive additional paperwork in the mail.
7. Complainant provided DIFS with a copy of the no-fault proof of insurance that Complainant received from Respondent acting as the liaison for "Joe." The proof of insurance contained the following information relative to the insurance policy:
 - a. Insurance Company: Everest National Insurance
 - b. Policy Number: 20180099498
 - c. Agency: Advasure Insurance Agency
 - d. Vehicle: 2013 Ford Fusion
 - e. Effective Dates: October 2, 2018 – April 2, 2019
8. Complainant never met "Joe" in person.
9. Complainant was involved in a motor vehicle collision on October 26, 2018. When he attempted to file a claim under his no-fault insurance policy, he was informed that the policy did not exist.
10. On December 18, 2018, Everest National Insurance Company (Everest) confirmed that the proof of insurance document sold to Complainant was not generated by its general agent, Arrowhead General Insurance Agency (AGIA). Everest policy numbers are 10 digits long and always begin with the numbers "█."
11. Respondent advertises auto insurance policies to a variety of community groups on Facebook. Respondent uses two profile names, Donovan Thompson and Donovan Lamont (Lamont is Respondent's middle name) to post the solicitation of auto insurance policies. The photo ID for Respondent appears to match the photographs posted on the above-referenced Facebook profiles.
12. The proof of insurance provided to Complainant by Respondent bears similar characteristics to over 100 fraudulent certificates submitted to the Michigan Department of State (MDOS) between May 2018 and January 2019, namely that the policy number always begins with "2018" rather than "█"

13. Respondent uses the strawman identity of "Joe" as an alias to assist in his fraudulent schemes. DIFS has not found any evidence to suggest that "Joe" exists.
14. By selling insurance to and accepting money from Complainant, Respondent, as an unlicensed producer, violated Section 1201a(1) of the Code, MCL 500.1201a(1).
15. Respondent committed fraudulent insurance acts, violating Section 4503(g)(i) of the Code, MCL 500.4503(g)(i), when he sold insurance policies to Complainant, telling Complainant that the money Respondent collected would be applied towards insurance policies, when it was not.
16. Based on the aforementioned findings, Respondent is acting as an insurance producer, solicitor, adjuster, or counselor without a license as required by the Code.
17. Respondent is subject to sanctions under Sections 150, 1239(1)(b) and 1244 of the Code, MCL 500.150, 500.1239(1)(b) and 500.1244. Furthermore, if the above facts are found to be true, Respondent's violation of Section 4503(g)(i) of the Code may also be considered a felony under Section 4511 of the Code, MCL 500.4511.
18. Based on the aforementioned findings, Respondent is engaged in an act or practice in the business of insurance for which authority from or notification to the Director is required by the Code, and the Respondent has not received authority or given notification.