

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

GARY L. HARRIS
System ID No. 0254319

Enforcement Case No. 14-12191

JILL E. HARRIS
System ID No. 0520796

TITAN ADVISORY FIRM, LLC
System ID No. 0099768

Respondents.

_____ /

Issued and entered
on February 26, 2016
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. Pursuant to Executive Order 2013-1, all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of DIFS.
2. 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.*
3. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
4. Acceptance of the Stipulation to Entry of Order (Stipulation) is reasonable and in the public interest; and, the Stipulation is incorporated herein.
5. All applicable provisions of the APA have been met.

6. Gary Lynn Harris, Jr. (G. Harris) is a licensed resident insurance producer with qualifications to transact insurance business in the lines of accident, health, life and variable annuities. System ID No. 0254319. His principal place of business is located at 6350 W. KL Ave., Kalamazoo, MI 49009.
7. At the relevant time herein, Jill Elaine Harris (J. Harris) was a licensed resident insurance producer with qualifications to transact insurance business in the lines of life and variable annuities. Her principal place of business is located at 6350 W. KL Ave., Kalamazoo, MI 49009.
8. Titan Advisory Firm, LLC, (Titan) System I.D. No. 0099768 is a Michigan limited liability company with its principal place of business located at 6350 W. KL Ave., Kalamazoo, MI 49009, and is a licensed resident insurance agency in the state of Michigan with qualifications in accident, health, and life. Respondent G. Harris serves as Titan's Designated Responsible Licensed Producer (DRLP).
9. DIFS received a consumer complaint that alleged Respondents solicited the purchase of annuity products and misrepresented the certification of agent of record for the annuity.
10. More specifically, consumers (husband and wife) stated that G. Harris visited their home and solicited the purchase of an Allianz Life Insurance Company, N.A. (Allianz) annuity. However, J. Harris signed the application as the agent who received the premium and certified that she was the agent who provided a copy of the application to the consumers even though she never met with them to collect premium or to discuss the application. On March 9, 2012, Allianz issued annuity contract ending 9512.
11. DIFS investigation of Respondent's business activities also revealed that between August 2013 and September 2013 G. Harris received several letters from Athene Annuity and Life Company (Athene) demanding repayment of charged back commissions.
12. As of September 10, 2013, Respondents owed Athene a total of \$24,136.00 in charged back commissions. On or about June 3, 2014, Athene withheld and applied \$2,866.82 in renewal commission owed to G. Harris to offset the money owed. By the terms of an agreement between Athene and G. Harris's upline agent, the upline was obligated to repay the commissions owed by G. Harris if G. Harris failed to repay. The upline paid Athene. As of the date of this Order, Respondent G. Harris entered into an agreement with the upline agent to repay commissions owed and is paying as agreed.
13. On or about November 24, 2014, the Department of Insurance and Financial Services (DIFS) served Respondents with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondents violated provisions of the Insurance Code of 1956 (Code), MCL 500.100 et seq.
14. The NOSC contained allegations that Respondents provided justification for licensing sanctions pursuant to Section 1239(1)(d) of the Code, MCL 500.1239(1)(d); Section 1239(1)(e) of the Code, MCL 500.1239(1)(e); and, Section 1239(1)(h) of the Code, MCL 500.1239(1)(h).

15. As licensed insurance producers, Respondents knew or should have known that Section 1239(1)(e), MCL 500.1239(1)(e), provides that the Director may take action against an insurance producer who intentionally misrepresents an application for insurance.
16. Respondents have provided justification for licensing sanctions by intentionally misrepresenting the terms of an application for insurance to Allianz and DIFS when they agreed to have J. Harris certify the customer's annuity application knowing she did not solicit the insurance application, speak with the consumers, collect the premium or negotiate the annuity, contrary to the certification statement on the application.
17. As a licensed insurance producer, G. Harris knew or should have known that Section 1239(1)(d) of the Code, MCL 500.1239(1)(d), provides that the Director may take action against an insurance producer who improperly withholds, misappropriates, or converts any money or property received in the course of doing insurance business.
18. Respondent G. Harris has provided justification for licensing sanctions by withholding, misappropriating and/or converting \$21,269.18 in commissions that he was not entitled to retain.
19. As licensed insurance producers Respondents knew or should have known that Section 1239(1)(h) of the Code, MCL 500.1239(1)(h) provides that the Director may take action against an insurance producer who uses dishonest practices and/or demonstrates untrustworthiness in the conduct of business.
20. J. Harris used dishonest practices when she signed and certified the consumers' annuity applications as agent of record knowing she was not the agent of record, had never met with the consumers and the certification was not true.
21. G. Harris used dishonest practices and demonstrated untrustworthiness in the conduct of business when he allowed J. Harris to sign and certify the consumers' annuity applications as agent of record knowing that J. Harris was not the agent of record and the certification was not true.
22. Respondent Titan Advisory Firm, LLC has provided justification for licensing sanctions in accordance with Sections 1205(2)(b) and 1239(3), MCL 500.1205(2)(b) and MCL 500.1239(3), when Gary L. Harris, the owner, president and DRLP of Titan, knew or should have known he and J. Harris engaged in the conduct of business as outlined in paragraphs 10, 12, 16, 18, 20, and 21, and the violations were neither corrected nor reported to the Director.
23. Based upon the actions listed above, Respondents have committed acts that provide justification for the Director to order the payment of a civil fine, the refund of any overcharges, that restitution be made to cover losses, damages or other harm attributed to Respondents' violation or violations of the Code, and/or other licensing sanctions, including revocation.

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

1. Respondents Gary L. Harris and Titan Advisory Firm, LLC shall continue to repay the individual/entity identified in the Stipulation to Entry of Order per the terms of their agreement.
2. Respondent Gary L. Harris shall pay a civil penalty in the amount of \$2,500 to the State of Michigan.
3. Respondent Jill E. Harris shall pay a civil penalty in the amount of \$2,500 to the State of Michigan.
4. Respondent Titan Advisory Firm, LLC shall pay a civil penalty in the amount of \$5,000 to the State of Michigan.
5. 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.

Dated:

Feb 26, 2016



Teri L. Morante
Chief Deputy Director

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

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GARY L. HARRIS
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TITAN ADVISORY FIRM, LLC
System ID No. 0099768

Respondents.

_____ /

STIPULATION TO ENTRY OF ORDER

Gary L. Harris, Jill E. Harris, and Titan Advisory Firm, LLC, stipulate to the following:

1. Gary Lynn Harris, Jr. (G. Harris) is a licensed resident insurance producer with qualifications to transact insurance business in the lines of accident, health, life and variable annuities. System ID No. 0254319. His principal place of business is located at 6350 W. KL Ave., Kalamazoo, MI 49009.
2. At the relevant time herein, Jill Elaine Harris (J. Harris) was a licensed resident insurance producer with qualifications to transact insurance business in the lines of life and variable annuities. Her principal place of business is located at 6350 W. KL Ave., Kalamazoo, MI 49009.
3. Titan Advisory Firm, LLC, (Titan) System I.D. No. 0099768 is a Michigan limited liability company with its principal place of business located at 6350 W. KL Ave., Kalamazoo, MI 49009, and is a licensed resident insurance agency in the state of Michigan with qualifications in accident, health, and life. Respondent G. Harris serves as Titan's Designated Responsible Licensed Producer (DRLP).
4. DIFS received a consumer complaint that alleged Respondents solicited the purchase of annuity products and misrepresented the certification of the agent of record for the annuity.
5. More specifically, consumers (husband and wife) stated that G. Harris visited their home and solicited the purchase of an Allianz Life Insurance Company, N.A. (Allianz) annuity. However, J. Harris signed the application as the agent who received the premium and certified that she was the agent who provided a copy of the application to the consumers

- even though she never met with them to collect premium or to discuss the application. On March 9, 2012, Allianz issued annuity contract ending 9512.
6. DIFS investigation of Respondent's business activities also revealed that between August 2013 and September 2013 G. Harris received several letters from Athene Annuity and Life Company demanding repayment of charged back commissions.
 7. As of September 10, 2013, Respondents owed Athene a total of \$24,136.00 in charged back commissions. On or about June 3, 2014, Athene withheld and applied \$2,866.82 in renewal commission owed to G. Harris to offset the money owed. By the terms of an agreement between Athene and G. Harris's upline agent, the upline was obligated to repay the commissions owed by G. Harris if G. Harris failed to repay. The upline paid Athene. As of the date of this Order, Respondent G. Harris entered into an agreement with the upline agent to repay commissions owed and is paying as agreed.
 8. On or about November 24, 2014, the Department of Insurance and Financial Services (DIFS) served Respondents with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondents violated provisions of the Insurance Code of 1956 (Code), MCL 500.100 et seq.
 9. The NOSC contained allegations that Respondents provided justification for licensing sanctions pursuant to Section 1239(1)(d) of the Code, MCL 500.1239(1)(d); Section 1239(1)(e) of the Code, MCL 500.1239(1)(e); and, Section 1239(1)(h) of the Code, MCL 500.1239(1)(h).
 10. As licensed insurance producers, Respondents knew or should have known that Section 1239(1)(e), MCL 500.1239(1)(e), provides that the Director may take action against an insurance producer who intentionally misrepresents an application for insurance.
 11. Respondents have provided justification for licensing sanctions by intentionally misrepresenting the terms of an application for insurance to Allianz and DIFS when they agreed to have J. Harris certify the customer's annuity application knowing she did not solicit the insurance application, speak with the consumers, collect the premium or negotiate the annuity, contrary to the certification statement on the application.
 12. As a licensed insurance producer, G. Harris knew or should have known that Section 1239(1)(d) of the Code, MCL 500.1239(1)(d), provides that the Director may take action against an insurance producer who improperly withholds, misappropriates, or converts any money or property received in the course of doing insurance business.
 13. Respondent G. Harris has provided justification for licensing sanctions by withholding, misappropriating and/or converting \$21,269.18 in commissions that he was not entitled to retain.
 14. As licensed insurance producers Respondents knew or should have known that Section 1239(1)(h) of the Code, MCL 500.1239(1)(h) provides that the Director may take action against an insurance producer who uses dishonest practices and/or demonstrates untrustworthiness in the conduct of business.

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16. G. Harris used dishonest practices and demonstrated untrustworthiness in the conduct of business when he allowed J. Harris to sign and certify the consumers' annuity applications as agent of record knowing that J. Harris was not the agent of record and the certification was not true.
17. Respondent Titan Advisory Firm, LLC has provided justification for licensing sanctions in accordance with Sections 1205(2)(b) and 1239(3), MCL 500.1205(2)(b) and MCL 500.1239(3), when Gary L. Harris, the owner, president and DRLP of Titan, knew or should have known he and J. Harris engaged in the conduct of business as outlined in paragraphs 5, 7, 11, 13, 15, and 17, and the violations were neither corrected nor reported to the Director.
18. Based upon the actions listed above, Respondents have committed acts that provide justification for the Director to order the payment of a civil fine, the refund of any overcharges, that restitution be made to cover losses, damages or other harm attributed to Respondents' violation or violations of the Code, and/or other licensing sanctions, including revocation.
19. Respondents and DIFS conferred for the purpose of resolving this matter.
20. Respondent exercised the right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
21. All parties have complied with the procedural requirements of the APA and the Code.
22. Respondents agree that they will cease and desist from operating in a manner that violates Section 1239(1)(d) of the Code, MCL 500.1239(1)(d); Section 500.1239(1)(e) of the Code, MCL 500.1239(1)(e); and, Section 1239(1)(h) of the Code, MCL 500.1239(1)(h).
23. Respondent G. Harris agrees that he will pay to the state of Michigan, through DIFS, a civil penalty in the amount of \$2,500. Respondent further agrees to pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
24. Respondent J. Harris agrees that she will pay to the state of Michigan, through DIFS, a civil penalty in the amount of \$2,500. Respondent further agrees to pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
25. Respondent Titan agrees that it will pay to the state of Michigan, through DIFS, a civil penalty in the amount of \$5,000. Respondent further agrees to pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
26. Respondent Gary Harris and Titan agree to pay as agreed according to the terms of the settlement entered into between Gary Harris and M&O Marketing signed on June 19, 2015.

27. Respondents have 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.
28. Respondents understand and agree that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
29. 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, Respondents waive the right to a hearing in this matter and consent to the entry of the Order Accepting Stipulation and Requiring Compliance and Payment of Fines. If the Chief Deputy Director does not accept the Stipulation to Entry of Order, Respondents waive any objection to the Director holding a formal administrative hearing and making a decision after such hearing.
30. It is further stipulated that failure to comply with the Order of the Director accepting this settlement by failing to pay the administrative and civil fines as set forth above shall result in the commencement of an action to suspend (or to continue the suspension of) all licenses held under the Code held by Respondent.
31. It is further stipulated that the amount of fines and/or fees has been negotiated in return for the avoidance of further proceedings and certain promises and conditions, one of which is the timely payment of said fines and/or fees. Should Respondents fail to pay the fines and/or fees in accordance with the terms of this Stipulation and the Director's Order, the parties agree that an action will commence to determine if the Respondents have, in fact, failed to pay, and, if so, Respondents agree that the fines and/or fees will immediately increase to the maximum amount allowed under the Code, shall be immediately due in full, and Respondents' license(s) shall be revoked.



Gary L. Harris
System ID No. 0254319

2/18/16

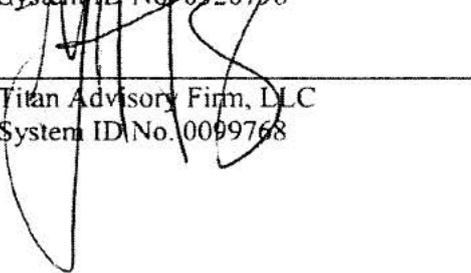
Date



Jill E. Harris
System ID No. 0520796

2/18/16

Date

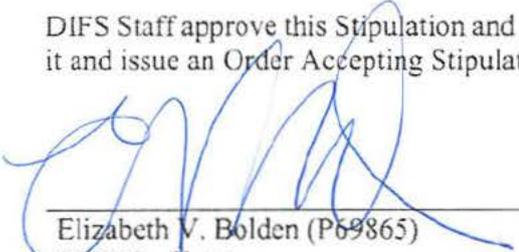


Titan Advisory Firm, LLC
System ID No. 0099768

2/18/16

Date

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



Elizabeth V. Bolden (P69865)
DIFS Staff Attorney

2/22/2016
Date