

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Department of Insurance and Financial Services

Enforcement Case No. 18-15362

Petitioner,

v

Linda Lee Vela

Respondent.

Issued and entered,
this 5th day of Dec., 2018
by Teri L. Morante,
Chief Deputy Director

ORDER OF PROHIBITION

WHEREAS, the Director of the Department of Insurance and Financial Services (DIFS) is statutorily charged with the responsibility and authority to administer and implement the Deferred Presentment Service Transactions Act (Act), 2005 PA 244, MCL 487.2121 *et seq.*, pursuant to provisions therein; and,

WHEREAS, Section 49(1) of the Act, MCL 487.2169(1), provides for the issuance of a written notice of intention to prohibit a person that has engaged in fraudulent conduct from being employed by, an agent of, or an executive officer of a licensee under this act; and,

WHEREAS, Section 49(5) of the Act, MCL 487.2169(5), provides that a person subject to an order issued thereunder, may apply to the Director to terminate the order after 5 years from the date of the order; and,

WHEREAS, Section 49(7) of the Act, MCL 487.2169 (7), provides unless otherwise agreed to by the Director and the individual served with an order issued under subsection (6), the Director shall hold the hearing required under subsection (2) to review the suspension not earlier than 5 days or later than 20 days after the date of the notice; and,

WHEREAS, based upon information derived from the exercise of its regulatory responsibilities and a thorough review of pertinent documents obtained therewith, DIFS has good cause and reason to believe that Respondent has engaged in fraudulent conduct and that there are, therefore, grounds to initiate an administrative prohibition proceeding against her pursuant to Section 49 of the Act, MCL 487.2169; and,

WHEREAS, on October 29, 2018, DIFS issued a NOTICE OF INTENTION TO PROHIBIT, STATEMENT OF FACTUAL ALLEGATIONS, ORDER FOR HEARING, and NOTICE OF HEARING alleging Respondent engaged in fraudulent conduct; and,

WHEREAS, Respondent stipulated and consented to the entry of this Order of Prohibition and, therefore, waived the right to a hearing in this matter; and,

WHEREAS, the Director finds and concludes as a matter of law and fact that Respondent shall be and is eligible for and subject to prohibition by the Director, pursuant to Section 49 of the Act, MCL 487.2169.

NOW THEREFORE, IT IS ORDERED that:

1. Linda Lee Vela is PROHIBITED from being employed by a licensee under this Act or acting as an agent or executive officer of a licensee under this Act.
2. This Order shall be and is effective on the date it is issued and entered, as shown in the caption hereof. This Order shall remain in effect until terminated, modified, or set aside in writing by the Director.

**DEPARTMENT OF INSURANCE AND
FINANCIAL SERVICES**


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:

Linda Lee Vela
Unlicensed

Enforcement Case No. 18-15362

Respondent.
_____ /

STIPULATION TO ENTRY OF ORDER OF PROHIBITION

Linda Lee Vela (Respondent) stipulates and agrees to the following:

1. On or about October 29, 2018, the Department of Insurance and Financial Services (DIFS) served Respondent with a Notice of Intention to Prohibit and Statement of Factual Allegations alleging that Respondent had violated provisions of the Deferred Presentment Service Transactions Act (Act), 2005 PA 244, MCL 487.2121 *et seq.*
2. The Notice of Intention to Prohibit contained allegations that Respondent violated Sections 33(2), 34(1)(b), and 34(7) of the Act, MCL 487.2153(2), 487.2154(1)(b), and 487.2154(7), and set forth the applicable laws and the penalties which apply.
3. DIFS finds and concludes that Respondent engaged in actual fraud by knowingly entering incorrect customer social security numbers into the Veritec database, allowing ineligible customers to obtain additional transactions in violation of Sections 33(2), 34(1)(b), and 34(7) of the Act, MCL 487.2153(2), 487.2154(1)(b), and 487.2154(7).
4. DIFS and Respondent have conferred and have agreed this matter may be resolved pursuant to the terms set forth below.
5. Respondent neither admits nor denies the allegations contained in the Notice of Intention to Prohibit and Statement of Factual Allegations and desires to avoid the time and expense of formal proceedings and agrees to resolve this matter pursuant to this Stipulation to Entry of Order of Prohibition.
6. Section 49 of the Act, MCL 487.2169, provides that if in the opinion of the commissioner a person has engaged in fraud, the commissioner may serve upon that person a written notice of intention to prohibit that person from being employed by, an agent of, or an executive officer of a licensee under this act. As used in this subsection, "fraud" includes actionable fraud, actual or constructive fraud, criminal fraud, extrinsic or intrinsic fraud, fraud in the execution, in the inducement, in fact, or in law, or any other form of fraud.

7. Respondent agrees to the imposition of an Order of Prohibition pursuant to Section 49 of the Act, MCL 487.2169.
8. Respondent agrees that both parties have complied with the procedural requirements of the APA and the Act.
9. Respondent has had an opportunity to review the Stipulation to Entry of Order of Prohibition and have the same reviewed by legal counsel.
10. Respondent understands and agrees that this Stipulation to Entry of Order of Prohibition will be presented to the Chief Deputy Director for approval. The Chief Deputy Director may, in her sole discretion, decide to accept or reject the Stipulation to Entry of Order of Prohibition. If the Chief Deputy Director accepts the Stipulation to Entry of Order of Prohibition, Respondent waives the right to a hearing in this matter and consents to the entry of the Order of Prohibition. If the Chief Deputy Director does not accept the Stipulation to Entry of Order of Prohibition, Respondent waives any objection to the Director holding a formal administrative hearing and making a decision after such hearing.
11. Respondent understands and agrees that the failure to abide by and fully comply with the terms and conditions of this Stipulation and Order of Prohibition may, at the discretion of the Chief Deputy Director, result in further administrative compliance actions.

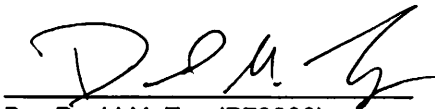


Linda Lee Vela

12-1-18
Dated

DIFS Staff approve this Stipulation to Entry of Order and recommend that the Director issue an Order of Prohibition.

Department of Insurance and Financial Services



By: David M. Toy (P73000)
Staff Attorney

12/5/18
Dated