

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

WILLIAM HAYES  
System ID No. 0275354

Enforcement Case No. 15-12346

Respondent.

Issued and entered  
on July 1, 2015  
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 is reasonable and in the public interest.
5. All applicable provisions of the APA have been met.
6. At all relevant times, William Hayes (Respondent) was a licensed nonresident producer with qualifications in accident and health, and life, and his license is currently active. He has been licensed since March 21, 2002.
7. On May 6, 2014, the Financial Industry Regulation Authority (FINRA) issued a Letter of Acceptance, Waiver and Consent barring Mr. Hayes from associating with any FINRA member in any capacity. It was found that Mr. Hayes made material omissions in connection with the sale of securities and unsuitable recommendations, improperly

guaranteed brokerage customers against loss, failed to disclose his financial condition at the time of guarantees and willfully failed to amend his Uniform Application for Securities Industry Registration or Transfer form (U4) and filed an inaccurate U4.

8. FINRA found that Respondent violated FINRA Rules 2010 and 2150(b), NASD Rules 2310 and 2330(e), and willfully violated FINRA Rule 1122 and Article V, Section 2(c) of FINRA's By-laws.
9. On December 10, 2014, DIFS Staff received a notification from Florida reporting that Respondent failed to report the FINRA action as required by law. A consent order was issued and his Florida nonresident insurance producer license was revoked. Respondent failed to report the revocation to DIFS.
10. As a licensee, Respondent knew or had reason to know that Section 1247(1) of the Code, MCL 500.1247(1), states that:

(1) An insurance producer shall report to the commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state within 30 days after the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.

11. By failing to report the Florida administrative action to DIFS within 30 days after the final disposition of the matter, Respondent violated MCL 500.1247(1).
12. As a licensee, Respondent knew or had reason to know that Section 1239(1)(b), (h) and (i) of the Code, MCL 500.1239(1)(b), (h) and (i) state that the Director may suspend or revoke an insurance producer's license for any of the following reasons:

(1) In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

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(b) Violating any insurance laws or violating any regulation, subpoena, or order of the Commissioner or of another state's insurance commissioner.

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(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

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(i) Having an insurance producer license or its equivalent denied, suspended, or revoked in any other state, province, district, or territory.

13. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), by failing to report the Florida administrative action to DIFS within 30 days after the final disposition of the matter pursuant to Section 1247(1) of the Code, MCL 500.1247(1).
14. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), by making material omissions in connection with the sale of securities, making unsuitable recommendations to his clients, improperly guaranteeing his brokerage clients against loss, failing to disclose his financial condition when making the improper guarantees, willfully failing to amend his U4 and subsequently filing an inaccurate U4.
15. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(i) of the Code, MCL 500.1239(1)(i), by having his Florida nonresident insurance producer license revoked.
16. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order the payment of a civil fine, and/or other licensing sanctions, including revocation of licensure.

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

17. Respondent cease and desist from operating in a manner that violates the Code.
18. Respondent cease and desist from all insurance activity.
19. Respondent's nonresident insurance producer license (System ID No. 0275354) is hereby REVOKED.
20. 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  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

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

In the matter of:

**WILLIAM HAYES**  
System ID No. 0275354

**Enforcement Case No. 15-12346**

Respondent.

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**STIPULATION TO ENTRY OF ORDER**

William Hayes (hereinafter Respondent) stipulates to the following:

1. On or about June 9, 2015, the Department of Insurance and Financial Services (DIFS) served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent violated provisions of the Code.
2. Respondent is a licensed nonresident producer with qualifications in accident and health, and life, and his license is currently active. He has been licensed since March 21, 2002.
3. On May 6, 2014, the Financial Industry Regulation Authority (FINRA) issued a Letter of Acceptance, Waiver and Consent barring Mr. Hayes from associating with any FINRA member in any capacity. It was found that Mr. Hayes made material omissions in connection with the sale of securities and unsuitable recommendations, improperly guaranteed brokerage customers against loss, failed to disclose his financial condition at the time of guarantees and willfully failed to amend his Uniform Application for Securities Industry Registration or Transfer form (U4) and filed an inaccurate U4.
4. FINRA found that Respondent violated FINRA Rules 2010 and 2150(b), NASD Rules 2310 and 2330(e), and willfully violated FINRA Rule 1122 and Article V, Section 2(c) of FINRA's By-laws.
5. On December 10, 2014, DIFS Staff received a notification from Florida reporting that Respondent failed to report the FINRA action as required by law. A consent order was issued and his Florida nonresident insurance producer license was revoked. Respondent did not report the revocation to DIFS.
6. As a licensee, Respondent knew or had reason to know that Section 1247(1), MCL 500.1247(1), of the Michigan Insurance Code of 1956 (Code), MCL 500.100 *et seq.*, states that:

(1) An insurance producer shall report to the commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state within 30 days after the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.

7. By failing to report the Florida administrative action to DIFS within 30 days after the final disposition of the matter, Respondent violated MCL 500.1247(1).
8. As a licensee, Respondent knew or had reason to know that Section 1239(1)(b), (h) and (i) of the Code, MCL 500.1239(1)(b), (h) and (i) state that the Director may suspend or revoke an insurance producer's license for any of the following reasons:

(1) In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

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(b) Violating any insurance laws or violating any regulation, subpoena, or order of the Commissioner or of another state's insurance commissioner.

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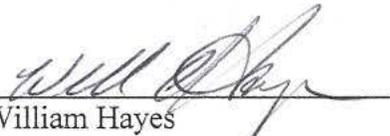
(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

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(i) Having an insurance producer license or its equivalent denied, suspended, or revoked in any other state, province, district, or territory.

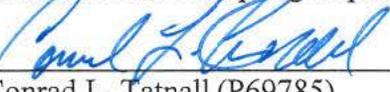
9. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(b) of the Code, MCL 500.1239(1)(b), by failing to report the Florida administrative action to DIFS within 30 days after the final disposition of the matter pursuant to Section 1247(1) of the Code, MCL 500.1247(1).
10. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(h) of the Code, MCL 500.1239(1)(h), by making material omissions in connection with the sale of securities, making unsuitable recommendations to his clients, improperly guaranteeing his brokerage clients against loss, failing to disclose his financial condition when making the improper guarantees, willfully failing to amend his U4 and subsequently filing an inaccurate U4.

11. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(i) of the Code, MCL 500.1239(1)(i), by having his Florida nonresident insurance producer license revoked.
12. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order the payment of a civil fine, and/or other licensing sanctions, including revocation of licensure.
13. Respondent and DIFS conferred for the purpose of resolving this matter.
14. Respondent waives the right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
15. All parties have complied with the procedural requirements of the APA and the Code.
16. Respondent agrees that he will cease and desist from operating in a manner that violates the Code and from all insurance activity.
17. Respondent's Michigan nonresident insurance producer license (System ID No. 0275354) shall be revoked.
18. 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.
19. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
20. 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 her decision after such hearing.

  
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William Hayes  
System ID No. 0275354

6/30/15  
\_\_\_\_\_  
Date

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

  
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Conrad L. Tatnall (P69785)  
DIFS Staff Attorney

7/1/15  
\_\_\_\_\_  
Date