

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of Financial and Insurance Regulation**

**In the matter of:**

**Nathaniel J. Feala,  
System ID No. 0231729**

**Enforcement Case No. 09-7185**

**Jill M. Stekel  
System ID No. 0334062**

**Respondents.**

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**Issued and entered  
on 3/22/ 2010  
by **Stephen R. Hilker**  
Chief Deputy Commissioner**

**FINAL ORDER OF REVOCATION**

1. On June 8, 2009, the Chief Deputy Commissioner issued an Order for Summary Suspension (hereafter "Order") pursuant to Section 1242 of the Michigan Insurance Code, (hereafter "Code"), MCL 500.1242.
2. On June 15, 2009, the Order was served upon Nathaniel J. Feala and Jill M. Stekel (hereafter "Respondents") via certified mail, return receipt requested, to the Respondents' last known addresses.
3. The Order advised Respondents that they may request a hearing in writing, not later than 20 days after the effective date of the Order, unless the Respondent requests a later date.
4. The Order advised Respondents that, at any hearing on the Summary Suspension, "the Commissioner shall determine if the suspension should be continued or if the suspension should be withdrawn, and, if proper notice is given, may determine if the license should be revoked."

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

**COUNT I**  
**VIOLATION OF MCL 500.1950**

5. On April 8, 2005, Respondent Feala became a Michigan non-resident licensed insurance producer and a non-resident licensed surplus lines agent.
6. On March 11, 2004, Respondent Stekel became a Michigan non-resident licensed insurance producer and a non-resident licensed surplus lines agent.
7. Respondents were employees of Vanguard Insurance Placement, Incorporated ("Vanguard").
8. Vanguard is a registered corporation in the State of Wisconsin.
9. On April 9, 2009, an Order to Cease and Desist was issued against Vanguard.
10. On February 19, 2010, a Final Order was issued against Vanguard.
11. Vanguard's majority shareholder is Robert Feala, father of Respondent Feala.
12. Respondents, as previous employees for Vanguard and previously licensed surplus lines agents, were responsible for submitting insurance policy applications to carriers.
13. From 2004 to June 8, 2009, Respondents bound surplus lines insurance coverage through Novus Centuria, Inc., a/k/a Novus Centuria Reinsurance Company ("Novus").
14. Novus is a corporation formed in the Island of Nevis, operating as a surplus lines insurer in the State of Michigan.
15. Novus is not an authorized or eligible insurer in the State of Michigan.
16. Novus's sole shareholder is Robert Feala, father of Respondent Feala.
17. On August 4, 2009, an Order to Cease and Desist was issued against Novus.
18. On February 19, 2010, a Final Order was issued against Novus.
19. Respondents knew or had reason to know that Section 1950 of the Code, MCL 500.1950 requires that "the licensee shall first attempt to place the insurance with authorized insurers or, if that is not possible, with eligible unauthorized insurers before placing the insurance with an unauthorized insurer not recognized as eligible, and shall certify to the commissioner on a form prescribed by the commissioner that these attempts were made."
20. From 2004 to April 2009, Respondents falsely submitted hundreds of Surplus Lines reports to OFIR, Form No. 0269 "Report of Transaction with an Unauthorized Insurer not Recognized as Eligible," attesting that they had complied with Chapter 19 of the Code, including Section 1950.

21. However, Respondents violated Section 1950 of the Code in that they never attempted to place insurance with authorized insurers or eligible unauthorized insurers before placing the insurance with an unauthorized insurer not recognized as eligible, such as Novus.

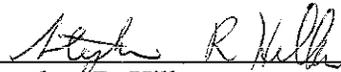
**COUNT II**  
**VIOLATION OF MCL 500.1920(1)**

22. Robert Feala, sole shareholder and President of Novus, testified on December 5, 2008 that Novus has no assets of any kind, and that all premium monies payable to Novus were held by Core States Management, Inc.
23. On March 15, 2009, Core States Management, Inc. filed for bankruptcy protection in the United States Bankruptcy Court for the Western District of Wisconsin.
24. Respondents knew or had reason to know that Section 1920 of the Code requires that "a licensee shall offer surplus lines insurance only to insurers that are in a stable and unimpaired financial condition."
25. Based upon the above-cited conduct, by placing surplus lines insurance policies with Novus, Respondents violated Section 1920 of the Code, MCL 500.1920.

**ORDER**

26. Respondents failed to request a hearing on the Order as provided in Section 1242(4) of the Code, therefore the Commissioner accepts as true the Findings of Fact and Conclusions of Law contained therein and hereby makes this **FINAL ORDER OF REVOCATION** of Respondents insurance licenses.

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

  
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Stephen R. Hilker  
Chief Deputy Commissioner