

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

Before the Commissioner of Financial and Insurance Regulation

In the matter of:

Office of Financial and Insurance Regulation

Enforcement Case No. 08-5768
Agency No. 09-070-L

Petitioner

v

Riley J. Keily
System I.D. No. 0097381

Respondent

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OFIR/OGC

CONSENT ORDER AND STIPULATION

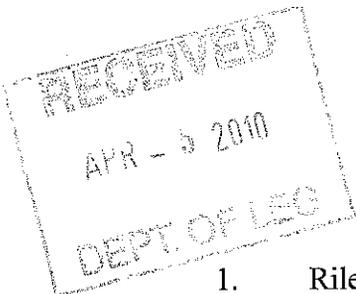
Issued and entered,
on April 9, 2010,
by Stephen R. Hilker
Chief Deputy Commissioner

I.
FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Riley J. Kelly ("Respondent") is a licensed non-resident insurance producer with qualifications in Life, Variable Annuities, Accident and Health authorized to transact the business of insurance in the State of Michigan.
2. Respondent knew or had reason to know that Section 1239(1) of the Insurance Code ("Code"), MCL 500.1239, provides in pertinent part that, "[T]he commissioner may place on probation, suspend, or revoke an insurance producer's license ... for any ... of the following causes:

(f) Having been convicted of a felony.

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



3. Respondent knew or had reason to know that Section 1247(1) of the Code, MCL 500.1247(1), provides, "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."
4. Respondent knew or had reason to know that Section 1247(2) of the Code, MCL 500.1247(2), provides, "Within 30 days after the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents."
5. Respondent has violated Sections 1239 and 1247 of the Code, as described below:

COUNT I

6. On July 5, 2006, Respondent was convicted by a guilty plea to a felony of committing a lewd act upon a child under the age of fourteen years, in violation of Section 288(a) of the California Penal Code.
7. Based on the foregoing conviction, Respondent has committed an act that is grounds for revocation of his non-resident producer license under Section 1239(1)(f) of the Code, MCL 500.1239(1)(f).

COUNT II

8. The State of California Department of Insurance issued an Order of Summary Revocation revoking Respondent's insurance license in the state of California.
9. According to the Order of Summary Revocation, the California Department of Insurance revoked Respondent's insurance license pursuant to Sections 1669(a) and 1738 of the California Insurance Code for having been convicted of the felony of committing a lewd act upon a child under the age of fourteen years, in violation of Section 288(a) of the California Penal Code. Respondent's license was subsequently reinstated by the California Department of Insurance.
10. Based on the foregoing, Respondent has committed an act that is grounds for revocation of his non-resident producer license under Section 1239(1)(i) of the Code, MCL 500.1239(1)(i).

COUNT III

11. Contrary to Section 1247 of the Code, MCL 500.1247, Respondent failed to report the Order of Summary Revocation issued by the California Department Insurance and

his criminal conviction to the Commissioner of the Office of Financial and Insurance Regulation ("OFIR"), in violation of Section 1247 of the Code, MCL 500.1247.

12. By failing to report the Order of Summary Revocation issued by the California Department Insurance and his criminal conviction to the Commissioner of OFIR, Respondent has committed acts that are grounds for revocation of his non-resident producer license under Section 1244 of the Code, MCL 500.1244.

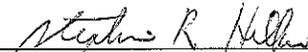
II. ORDER

Based upon the Findings of Fact and Conclusions of Law above and Respondent's stipulation, the Commissioner ORDERS that:

1. Respondent shall CEASE and DESIST from violating MCL 500.1239 and MCL 500.1247.
2. Forthwith, Respondent shall CEASE and DESIST from engaging in any activity requiring licensure under the Michigan Insurance Code, and deliver to the Chief Deputy Commissioner his original insurance producer license certificate within five days of the date of entry of this Order.
3. Respondent's insurance producer license issued pursuant to the provisions of the Michigan Insurance Code is hereby REVOKED.

IT IS SO ORDERED

Dated: 4/9/10

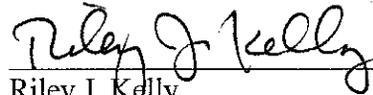


Stephen R. Hilker
Chief Deputy Commissioner

**III.
STIPULATION**

Respondent has read and understands the Consent Order above. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Michigan Insurance Code. Respondent waives the right to a hearing in this matter if this Consent Order is issued. Respondent understands that the Consent Order and Stipulation will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this Consent Order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the Consent Order is not approved. Respondent admits to the Findings of Fact and Conclusions of Law set forth in the above Consent Order, and agrees to the entry of the Consent Order.

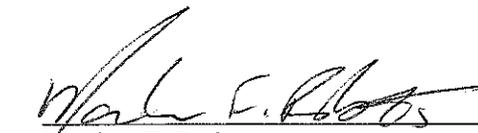
Dated: 3/24/2010



Riley J. Kelly

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above Consent Order.

Dated: 4/8/2010



Marlon F. Roberts
Staff Attorney