

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. 10-7768

Petitioner,

v

Kevin S. Weisel,
System ID No. 0315049

Respondent.

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OFFICE OF THE COMMISSIONER

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CONSENT ORDER AND STIPULATION

Issued and entered
on 1/11/11, 2010
by Stephen R. Hilker
Chief Deputy Commissioner

I.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. At all times relevant, Kevin S. Weisel (Respondent) was a licensed resident producer in the state of Michigan with qualifications in Property, Casualty, Life, Variable Annuities, and Accident and Health.
2. Respondent's principal place of business is located at [REDACTED]
3. As a licensed insurance producer, Respondent knew or had reason to know that Sections 1239(1)(b) & (h) of the Michigan Insurance Code (Code), MCL 500.1239(1)(b) & (h), state:

(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:

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

* * *

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

* * *

4. Section 1244(1)(a-c), MCL 500.1244(1)(a-c), provides that the Commissioner may order the payment of a civil fine of up to \$500.00 for each violation and up to \$2,500 for each violation if the Commissioner finds that the person knew or reasonably should have known that he or she was in violation of the Code. The Commissioner may also require the person to refund any overcharges and pay restitution to cover losses, damages, or other harm they may have caused by violating the Code.
5. Respondent has failed to uphold the standards as described below.

II. VIOLATIONS

1. On or about August 13, 2008, Respondent requested a \$10,000 loan from his client, Mr. [REDACTED] Mr. [REDACTED] and Respondent agreed on the amount, interest rate, and a date by which the loan was to be repaid.
2. On January 23, 2009, Investigator Jason McNally met with Respondent and explained that the appearance created by his act of obtaining this loan from his client is that he abused his fiduciary relationship. Respondent agreed with Mr. McNally, and also agreed not to request or accept loans from his clients in the future, and to continue making loan payments as agreed until the loan was repaid.
3. On January 26, 2009, Investigator McNally closed his investigation by issuing a warning letter to Respondent advising him that if he failed to make his loan payments as agreed, the Office of Financial and Insurance Regulation (OFIR) investigation would be reopened. Respondent failed to make any more loan payments.
4. By accepting a loan from his client, Respondent engaged in "fraudulent, coercive, or dishonest practices" and demonstrated "incompetence, untrustworthiness, or financial irresponsibility in the conduct of business" in violation of Chapter 12,

Section 1239(1)(h) of the Code and violated the insurance laws and regulation under Chapter 12, Section 1239(1)(b) of the Code.

5. Respondent knew or had reason to know that Section 1239(1)(h) of the Code, allows the Commissioner to place on probation, suspend, or revoke an insurance producer's license or levy a civil fine under Section 1244, for "using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."
6. Based upon the documents received and reviewed by OFIR staff, Respondent violated Section 1239(1)(b) and Section 1239(1)(h) of the Code, which is grounds for denial, suspension, revocation, licensing sanctions and/or civil fines under Section 1244 of the Code.

III. **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(1)(b) and MCL 500.1239(1)(h) as related to accepting loans from his clients.
2. Respondent shall pay the State of Michigan, through OFIR, a civil penalty in the amount of \$500.00. Payment shall be made on or before 30 days of the date of entry of this ORDER.
3. Respondent shall contact OFIR and enroll in the next regularly scheduled Insurance Regulation Seminar. Upon completion of the seminar, Respondent shall submit proof of his successful completion to Office of General Counsel, attention Conrad L. Tatnall.
4. If the terms of this ORDER are not complied with, all existing OFIR licenses issued to Respondent under the Michigan Insurance Code shall be summarily REVOKED.

IT IS SO ORDERED

Dated: 4/4/14


Stephen R. Hilker
Chief Deputy Commissioner

IV.
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 his 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.

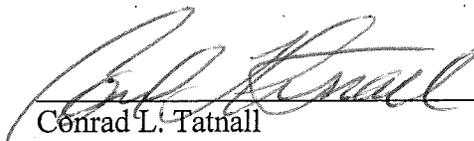
For Purposes of this settlement and stipulation, Respondent admits to the Findings of Fact and Conclusions of Law set forth in the above Consent Order, and agrees to the entry of the Consent Order.

Dated: 1-1-11


Kevin S. Weisel

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

Dated: 1/11/11


Conrad L. Tatnall
Staff Attorney