

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

Before the Commissioner of the Office of Financial & Insurance Regulation

In the Matter of:

Jesse F. Mason

Enforcement Case No. 10-9184

System ID No. 0252472

Respondent.

Issued and entered
on 11/22/10, 2010
by Stephen R. Hilker
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

FINDINGS OF FACTS AND CONCLUSIONS OF LAW

1. At all pertinent times involved herein, Jesse F. Mason (Respondent) was a licensed resident producer authorized to conduct business on behalf of an insured, in the State of Michigan, under a policy of insurance.
2. At all relevant times, Respondent was an employee of CIA Financial Group, Inc. (Agency).
3. As a licensed insurance producer, Respondent knew or had reason to know that Section 1207(1) provides that an agent shall be a fiduciary for all money received or held by the agent in his or her capacity as an agent. Failure by an agent in a timely manner to turn over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility.
4. As a licensed insurance producer, Respondent knew or had reason to know that Section 1239(1)(h) provides that 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 for any 1 or more of the following causes:

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

Victim I

5. On or about June 18, 2009, Respondent received \$1,223.00 from M.B. for automobile insurance. Respondent provided a receipt and issued a certificate of automobile insurance showing Frankenmuth Mutual Insurance Company as the carrier with the policy number [REDACTED]
6. On or about December 17, 2009, a change of vehicle was done for M.B. and a new certificate of automobile insurance was issued by Respondent with the same carrier and policy number.
7. On June 10, 2010, A.B. called the agency to discuss an application for renewal for M.B., her father in law. The agency checked its files and discovered that M.B. had no active policies with the agency.
8. On information and belief, Respondent entered M.B.'s information into the agency's computer, but indicated that payment was made with a credit card that was rejected.
9. On information and belief, Respondent contacted M.B. in June, 2010, and attempted to convince him to write an insurance policy with Progressive Direct.
10. No policy of automobile insurance was placed with Frankenmuth Mutual Insurance Company for M.B., the certificate of insurance was fraudulent, and the money paid by M.B. was not remitted to the agency or the carrier.

Victim II

11. On January 21, 2010, S.B. met with Respondent to purchase automobile insurance and homeowners insurance. S.B. paid Respondent \$1,058.00 in cash and was issued a receipt and a certificate of automobile insurance showing Frankenmuth Mutual Insurance Company as the carrier with a policy number of [REDACTED]
12. On June 1, 2010, S.B. went to the agency and inquired as to why her mortgage carrier had not yet received evidence of insurance. A thorough search of the agency's records could not locate S.B.'s policies.
13. The agency contacted Respondent at home to find out what had happened with this client. Respondent initially stated that he had no recollection of the client. He later called back and stated that he found her application and cash at his house.
14. On June 2, 2010, Respondent returned S.B.'s application. Respondent also made a cash payment of \$1,058.00.
15. Respondent did not have authorization to remove the application and payment from the agency.
16. No policy of automobile insurance was placed with Frankenmuth Mutual Insurance Company for S.B., the certificate of insurance was fraudulent, and the money paid by S.B. was not remitted to the agency or the carrier.

Victim III

17. On or about July 23, 2009, M.O. met with Respondent to purchase automobile insurance and homeowners insurance. M.O. paid Respondent over \$1,000.00 in cash and was issued a receipt and a certificate of automobile insurance showing Frankenmuth Mutual Insurance Company as the carrier with a policy number of [REDACTED].
18. No policy of automobile insurance was placed with Frankenmuth Mutual Insurance Company for M.O., the certificate of insurance was fraudulent, and the money paid by M.O. was not remitted to the agency or the carrier.

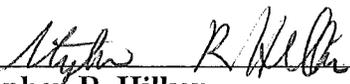
Conclusion

19. Based on the facts listed above, Respondent has violated his fiduciary responsibility by failing to timely turn over money which he held in a fiduciary capacity to the persons to whom it was owed.
20. Further, based on the facts listed above, Respondent's deliberate, calculated scheme to defraud and steal money from his clients and his employer demonstrates that Respondent used fraudulent, coercive, and dishonest practices in the course of business and his conduct clearly demonstrates incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in this state.
21. Finally, based upon the actions listed above, Respondent has committed acts that are grounds for the Commissioner ordering payment of a civil fine, refund of any overcharges, restitution be made to insureds to cover losses, damages or other harm attributed to Respondent's violation of the Code, and/or licensing sanctions under Section 1244(1) of the Code for the Respondent violating Sections 1207(1) and 1239(1)(h) of the Code.

ORDER

Based on the findings of fact and conclusions of law above, and Respondent's stipulation to said facts, it is hereby **ORDERED** that:

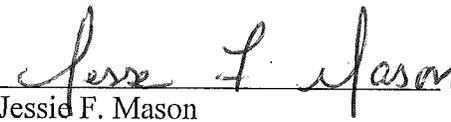
1. Respondent shall immediately cease and desist from operating in a manner that violates Sections 1239 and 1247 of the Code, MCL 500.1239 and 500.1247.
2. Respondent's license and authority are hereby **REVOKED**.
3. Respondent shall pay restitution to insureds to cover losses, damages, or other harm attributed to Respondent's violations of the Code.



Stephen R. Hilker
Chief Deputy Commissioner

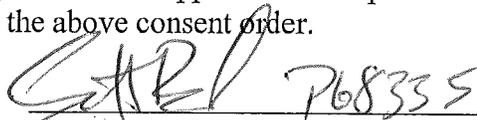
STIPULATION

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 Insurance Code. Respondent waives the right to a hearing in this matter if this consent order is issued. Respondent understands that this stipulation and consent order 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 the findings of fact and conclusions of law set forth in the above consent order and agrees to the entry of this order. Respondent admits that both parties have complied with the procedural requirements of the Michigan Administrative Procedures Act and the Insurance Code. Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.


Jessie F. Mason

Dated: 10-15-10

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


Scott Basel (P68335)
Attorney

Dated: 11-18-10

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OCT 19 2010
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