

**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:**

**Sheryl D'Iorio  
dba Northern Michigan Credit Consultants  
DM-0010713**

**Enforcement Case No. 10-10955**

**and**

**Da Munschy,**

**Respondents.**

---

Issued and entered  
on 12/2, 2010  
by Stephen R. Hilker  
Chief Deputy Commissioner

**CONSENT ORDER AND STIPULATION**

**FINDINGS OF FACTS AND CONCLUSIONS OF LAW**

1. Respondent, Sheryl L. D'Iorio dba Northern Michigan Credit Consultants (D'Iorio), is licensed in the business of debt management by the Office of Financial and Insurance Regulation (OFIR) in accordance with the Debt Management Act (Act), MCL 451.411 *et seq.*
2. Respondent Da Munschy (Munschy) is not licensed in any capacity under the Act.
3. D'Iorio, as a person licensed under the Act, knew or had reason to know that, according to Section 16 of the Act, a licensee shall "create and maintain records of the accounts, correspondence, memoranda, papers, books, and other records of the debt management business." MCL 451.426.
4. During an examination commenced on September 20, 2010, D'Iorio was unable to present proper records of the debt management business as required by the Act.
5. On or about May of 2003, D'Iorio hired [REDACTED] to run the business. Based on information and belief, it was discovered in approximately January of 2010, that [REDACTED] was embezzling money from the business from 2005 to 2009 for a total approaching \$60,000.00. [REDACTED] was fired in January of 2010.

6. Since January 2010, Munschy has been running the business, attempting to pay the clients' creditors despite the shortfall due to the embezzlement, as well as accepting new clients and continuing to receive payments from existing clients.
7. At present, the debt management business is servicing approximately 20 active accounts; however, the trust account required by the Act had a negative balance as of August 31, 2010.
8. D'Iorio, as a person licensed under the Act, knew or had reason to know that, according to Section 15 of the Act, a licensee shall maintain a trust account on behalf of the creditors and that "trust account shall at all times have an actual cash balance equal to or greater than the sum of the escrow balances of each debtor's account" and "if a trust account fails to contain sufficient funds . . . the licensee shall immediately upon discovery notify the director." MCL 451.425(3) and (4). Further, Rule R 451.1241(2) provides that "remedial action, as provided in section 15(4) of the Act, shall be either an immediate replacement of funds or an immediate cessation of business until sufficient funds are placed in the account."
9. D'Iorio, as a person licensed under the Act, knew or had reason to know that, according to Section 23 of the Act, "when it appears to the department . . . this act . . . has been or is about to be violated, it may, in its discretion, issue a cease and desist order." MCL 451.433.
10. D'Iorio, as a person licensed under the Act, is responsible for the operation of the debt management business.
11. Based on the above facts, D'Iorio has violated Sections 15 and 16 of the Act, specifically, MCL 451.426 and 451.425(3) and (4) and is in violation of Rule R 451.1241(2).
12. Based on the above facts, Munschy has violated Section 4 of the Act, MCL 451.414, which requires that a "person shall not engage in the business of debt management without first obtaining a license" and has violated Section 6(3), MCL 451.416, by providing counseling, budget analysis, and scheduling of debtor's funds without first passing a counselor examination.

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

1. Respondents, D'Iorio and Munschy, shall immediately **CEASE** and **DESIST** from conducting any business under the Debt Management Act.

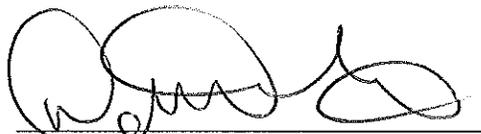
  
\_\_\_\_\_  
Stephen R. Hilker  
Chief Deputy Commissioner

**STIPULATION**

Respondents have read and understand the consent order above. Respondents agree that the Chief Deputy Commissioner has jurisdiction and authority to issue this consent order pursuant to the Act. Respondents waive the right to a hearing in this matter if this consent order is issued. Respondents understand 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. Respondents waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. Respondents admit the findings of fact and conclusions of law set forth in the above consent order and agree to the entry of this order. Respondents admit that both parties have complied with the procedural requirements of the Michigan Administrative Procedures Act and the Act. Respondents have had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.



Sheryl D'Amico  
dba Northern Michigan Credit Consultants



Da Munsch

Dated: 9-23-10

Dated: 9-23-10

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: 9-27-10