

**STATE OF MICHIGAN**  
**DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH**  
**OFFICE OF FINANCIAL AND INSURANCE REGULATION**  
**Before the Commissioner of Financial and Insurance Regulation**

**Office of Financial and Insurance Regulation,  
Petitioner**

v

**Enforcement Case No. 09-7489**

**First Financial Network, Inc.,  
and  
Eric Swider,  
Respondents**

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**For the Petitioner:**

**Elizabeth Bolden  
Office of Financial and Insurance Regulation  
P.O. Box 30220  
Lansing, MI 48909-7720**

**For the Respondent:**

**Eric Swider  
First Financial Network, Inc.**



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**Issued and entered  
this 1<sup>st</sup> day of April 2010  
by Ken Ross  
Commissioner**

**FINAL DECISION**

**I. Background**

First Financial Network, Inc. is a licensed insurance agency authorized to transact the business of insurance in Michigan. Eric Swider is a licensed resident insurance producer authorized to transact the business of insurance in Michigan. Mr. Swider is an officer and affiliated agent of First Financial Network, Inc. These licensees are referred to as "Respondents" below.

On January 14, 2010, Chief Deputy Commissioner Stephen R. Hilker issued an Administrative Complaint, Notice of Opportunity to Show Compliance, and Order for Hearing in this case which was sent to Respondents at the address above. The Administrative Complaint set

forth detailed allegations that Respondents had failed to comply with sections 249(a) and 1239 of the Michigan Insurance Code, MCL 500.249(a) and 500.1239.

The Order for Hearing required Respondents to take one of the following actions within 21 days: agree to a resolution of the case, file an answer to the allegations stated in the Order with a statement that Respondents plan to attend the hearing, or request an adjournment. Respondents failed to take any of these actions.

On March 3, 2010, the Petitioner filed a Motion for Final Decision. Given Respondents' failure to take one of the required actions, Petitioner's motion is granted. The factual allegations stated in the Administrative Complaint, being unchallenged, are accepted as true.

## **II. Findings of Fact and Conclusions of Law**

1. As licensees of the Office of Financial and Insurance Regulation (OFIR), Respondents knew or had reason to know that section 1239(1)(d) of the Michigan Insurance Code, MCL 500.1239(1), 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 . . . [i]mproperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.
2. Respondents further knew or had reason to know that section 249(a) of the Insurance Code, MCL 500.249(a), provides that, "[f]or the purposes of ascertaining compliance with the provisions of the insurance laws of the state or . . . the commissioner, as often as he deems advisable, may initiate proceedings to examine the accounts, records, documents and transactions pertaining to . . . [a]ny insurance agent."
3. Section 150(1) of the Michigan Insurance Code, MCL 500.150(1), provides:

Any person who violates any provision of this act for which a specific penalty is not provided under any other provision of this act or of other laws applicable to the violation shall be afforded an opportunity for a hearing before the commissioner pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws. . . . In addition, the commissioner may order any of the following:

\* \* \*

(b) The suspension, limitation, or revocation of the person's license or certificate of authority.

4. Respondents have violated sections 1239(1)(d) and 249(a) of the Insurance Code as described below.
5. On July 25, 2009, OFIR received a complaint stating that Respondents had failed to pay commissions owed to a [REDACTED] named [REDACTED]
6. On August 12, 2009, OFIR sent Respondents a letter requesting that they provide information in response to the complaint filed by [REDACTED]. Respondents failed answer the inquiry.
7. On August 26, 2009, OFIR sent Respondents a second request for information regarding the complaint. Respondents failed to reply.
8. On September 11, 2009, OFIR sent Respondents a third request for information regarding the complaint. Respondents failed to reply.
9. By failing to pay commissions owed to [REDACTED] Respondents violated section 1239(1)(d) of the Insurance Code.
10. By failing to answer the OFIR inquiries, Respondents violated Section 249(a) of the Code.

### III. Order

Based on the conduct described above, and in accordance with sections 150 and 1239 of the Michigan Insurance Code, it is ORDERED that:

1. The insurance agency license of First Financial Network, Inc. is revoked; and
2. The insurance producer license of Eric Swider is revoked.



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Ken Ross  
Commissioner