

**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. 09-7334**

**Cherise Zulewski  
and  
Downriver Title Agency,  
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 Respondents:**

**Cherise Zulewski  
Downriver Title Agency  
21641 Allen Road  
Woodhaven, MI 48183**

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**Issued and entered  
this 10<sup>th</sup> day of August 2010  
by Ken Ross  
Commissioner**

**FINAL DECISION**

**I. Background**

Respondents Cherise Zulewski and Downriver Title Agency are licensed to transact the business of title insurance in Michigan. In March 2007, the Office of Financial and Insurance Regulation (OFIR) received a complaint from Old Republic National Title Insurance Company stating that Respondents had failed to properly handle and account for title insurance funds Respondents had collected while acting as an agent for Old Republic. OFIR investigated the complaint and initiated a compliance action based on Old Republic's complaint.

On May 25, 2010, an Administrative Complaint, Order for Hearing, and Notice of Hearing was sent to Respondents at the address above. The Administrative Complaint set forth

detailed allegations that Respondents had failed to comply with sections 1207 and 1239 of the Michigan Insurance Code, MCL 500.1207 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 June 29, 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 and are stated below.

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

1. Respondent Downriver Title Agency is a Michigan-licensed resident producer agency with qualifications to transact business as a title agency.
2. Respondent Cherise Zulewski is a Michigan-licensed resident producer with qualifications to transact business as a title agent. Zulewski is the sole member and manager of Downriver Title Agency.
3. On March 8, 2007 Old Republic National Title Insurance Co. cancelled its contract with the Respondents. The cancellation was based on audits of the Respondents' escrow accounts from October 31, 2006 to January 31, 2007. The audit disclosed that premiums collected by Respondents were not reported or remitted to Old Republic. The audit also determined that Respondents failed to maintain or reconcile their escrow accounts.
4. The audit revealed an escrow shortage of \$607,650.00.

5. By collecting funds from clients and failing to report and timely remit premiums to the parties to which they were owed, by failing to use reasonable accounting methods to properly record funds received in their fiduciary capacity, and by failing to maintain their escrow accounts properly, the Respondents have violated sections 1207(1) and (2), and 1239(1)(h) of the Michigan Insurance Code.

### III. Order

Based on the conduct described above, and in accordance with the above-cited provisions of the Michigan Insurance Code, it is ORDERED that the insurance producer licenses of Respondents Downriver Title Agency and Cherise Zulewski are revoked.



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Ken Ross  
Commissioner