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STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

FEB 08 2012

OFFICE OF FINANCIAL AND INSURANCE REGULATION

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Before the Commissioner of the Office of Financial & Insurance Regulation

OFFICE

In the Matter of:

Michael Costello
System ID No. 0112829

Enforcement Case No. 11-11365

Respondent.

_____ /

Issued and entered
on 2-10, 2012
by Annette E. Flood
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

FINDINGS OF FACTS AND CONCLUSIONS OF LAW

1. At all relevant times, Respondent was a licensed resident insurance producer.
2. During an interview with a Combined Insurance investigator, Respondent admitted to collecting, holding, and submitting premiums at a later time, writing a personal, post-dated check for policyholder coverage, using his own address for policyholders, and exchanging premiums if he worked with someone.
3. As a licensed resident producer, Respondent knew or had reason to know that MCL 500.1239(1)(d) prohibits an insurance producer from improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.
4. As a licensed resident producer, Respondent knew or had reason to know that MCL 500.1239(1)(h) permits the Commissioner to revoke or suspend an insurance producer's license for using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
5. Based upon the above facts, Respondent's conduct violated the insurance laws of this state. Respondent improperly withheld, misappropriated, or converted money received in the course of doing insurance business and Respondent's conduct demonstrates fraudulent,

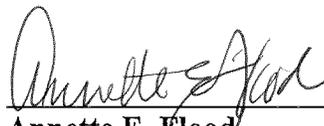
coercive, or dishonest practices and demonstrates incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

6. Respondent's appointment with Combined Insurance was cancelled and Respondent is no longer working in the insurance industry.

ORDER

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

- A. Respondent shall immediately cease and desist from operating in a manner that violates the Michigan Insurance Code, 1956 PA 218, as amended, MCL 500.100 *et seq.*
- B. Respondent's insurance producer license is hereby **VOLUNTARILY SURRENDERED** as of the date of entry of this Order.



Annette E. Flood
Chief Deputy Commissioner

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1. Respondent has read and understand the Consent Order above.
2. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Insurance Code.
3. Respondent admits the findings of fact and conclusions of law set forth above and agrees to the entry of this Order.
4. Respondent admits that all parties have complied with the procedural requirements of the Michigan Administrative Procedures Act and the Insurance Code.
5. Respondent has had an opportunity to review the stipulation and consent order and have the same reviewed by legal counsel.
6. It is further stipulated, by and between the parties hereto, that the Chief Deputy Commissioner, or designee, must approve this stipulation. If the Chief Deputy Commissioner, or that person's designee, rejects this stipulation, OFIR will schedule a contested case hearing in this matter without prejudice to either party.
7. Respondent understands and intends or agrees that by signing this stipulation, Respondent is waiving the right, pursuant to the Code, the rules promulgated thereto, and the Administrative Procedures Act, 1969 PA 306, MCL 24.201 et seq., to a hearing before an administrative law judge, at which OFIR would be required to prove the charges set forth by presentation of evidence and legal authority and at which Respondent would be entitled to appear to cross-examine all witnesses presented and to present such testimony or other evidence or legal authority deemed appropriate as a defense to said charges.


Michael Costello

Dated: 2-1-12

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


MARLOW ROBERTS
Attorney

Dated: 2/8/2012