

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

**Crosswalk Holdings Inc.,
Richard Dunn and Kevin Dunn, Individually**

Enforcement Case No. 10-11136

Respondents

_____ /

Issued and entered
on 3-1 2012
by Annette E. Flood
Chief Deputy Commissioner

FINAL ORDER TO CEASE AND DESIST

1. Whereas, the Commissioner of the Office of Financial and Insurance Regulation pursuant to the authority granted under the Michigan Insurance Code (Code) and the Third Party Administrator Act (TPAA), MCL 500.100 *et seq.*, initiated an investigation of CrossSummit Enterprises, Inc., a licensed insurance agent in the state of Michigan; and
2. Whereas, on the basis of that investigation, the Chief Deputy Commissioner concluded that Respondent violated the Code and/or the TPAA by engaging in violations of MCL 500.1208a(1), MCL 500.1212, MCL 500.1405(1) and MCL 550.910(1); and
3. Whereas, on July 29, 2011, the Chief Deputy Commissioner issued an Order to Cease and Desist (Order) pursuant to Section 251 of the Code, MCL 500.251. Said Order, incorporated herein by reference, advised Crosswalk Holdings, Inc., Richard Dunn, and Kevin Dunn (Respondents) that they may contest the Order by requesting a hearing within 30 days after the Order is mailed; and
4. Whereas, on August 2, 2011, the Order was mailed to Respondents via certified mail to Respondents' last known addresses; and
5. Whereas, Respondents failed to request a hearing on the Order as provided in Section 251 of the Code, MCL 500.251.

NOW, THEREFORE, the Chief Deputy Commissioner finds and orders:

I. STATEMENT OF FACTS

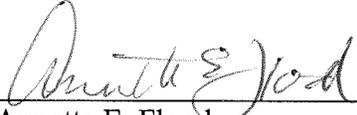
1. At all pertinent times, CrossSummit Enterprises, Inc. (CSE) was a licensed Non-Resident Producer Agency in the State of Michigan with qualifications in Accident and Health, Casualty, Life, and Property. CSE's place of business is 100 Eagle Rock Ave., Ste. 121, East Hanover, New Jersey 07936-3149.
2. Respondent Richard Dunn is a resident of the State of New York and the chairman of CSE. Respondent Richard Dunn is not licensed to conduct the business of insurance in the State of Michigan.
3. Respondent Kevin Dunn is a resident of the State of New York and President of CSE. Respondent Kevin Dunn is not licensed to conduct the business of insurance in the State of Michigan.
4. Respondent Crosswalk Holdings, Inc. (Crosswalk) is an entity located in the State of New Jersey and is not a licensed third party administrator, managing general agent or producer in the State of Michigan. CSE, Crosswalk, Richard Dunn and Kevin Dunn are referred herein as "Respondents."
5. On June 22, 2006, entered into a managing general underwriting and administrative services agreement (MGU) with Crosswalk. According to the agreement, appointed Crosswalk as its principal agent and representative for the marketing of policies of insurance underwritten by under a separate agency agreement (MGA). Crosswalk was subsequently replaced by an affiliated entity, CSE.
6. The agreement also appointed Respondent Crosswalk as the managing general agent. Pursuant to the agreement, Crosswalk was allowed to solicit applications for insurance, collect premiums, appoint agents to sell insurance product, receive and pay commissions for the sale of insurance by appointed agents. As a result of the agreement, Respondent has managed part of insurance business.
7. Respondents acted in the capacity of a managing general agent with respect to risks located in the State of Michigan for an insurer, without a license to act as a managing general agent in this state.
8. Respondents solicited, negotiated, and sold insurance products on behalf of and without an appointment pursuant to MCL 500.1208a(1) and in some cases, sold and marketed policies of insurance without a license.
9. Respondents allowed unlicensed individuals and entities to sell limited medical benefit health insurance policies in Michigan.

10. Respondents processed claims and provided other administrative services for without obtaining and maintaining a third party administrator license.
11. The Chief Deputy Commissioner concludes, in connection with the facts contained in the foregoing Statement of Facts, incorporated herein by reference, that:
12. Respondents engaged in violations of Sections 1208a(1), 1212, and 1405(1) of the Code and Section 910 of the Third Party Administrator Act.

NOW, THEREFORE, the Chief Deputy Commissioner finds it to be in the public interest to issue this Final Order, and IT IS HEREBY ORDERED THAT:

13. Respondents shall cease and desist from acting as a managing general agent without a license to act as a managing general agent in this state.
14. Respondents shall cease and desist from soliciting, negotiating, and selling insurance products on behalf of an insurer without an appointment by the insurer.
15. Respondents shall cease and desist from allowing unlicensed individuals and/or entities to sell insurance policies in Michigan.
16. Respondents shall cease and desist from processing claims and providing other administrative services for an insurer without first obtaining and maintaining a third party administrator license.

IT IS SO ORDERED:

By: 
Annette E. Flood
Chief Deputy Commissioner
Office of Financial and Insurance Regulation