

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
OFFICE OF FINANCIAL AND INSURANCE REGULATION  
Before the Commissioner of Financial and Insurance Regulation

Office of Financial and Insurance Regulation,  
Petitioner

v

Edmond Reese,  
Respondent

Enforcement Case No. 10-7750  
Agency No. 11-033-L

---

For the Petitioner:

Conrad Tatnall  
Office of Financial and Insurance Regulation  
P.O. Box 30220  
Lansing, MI 48909-7720

For the Respondent:

Edmond Reese

---

Issued and entered  
this 14<sup>th</sup> day of September 2011  
by R. Kevin Clinton  
Commissioner

**FINAL DECISION**

**I. BACKGROUND**

Respondent Edmond Reese is a nonresident insurance producer authorized to transact the business of insurance in Michigan. In February 2010, the Office of Financial and Insurance Regulation (OFIR) received information that Respondent had engaged in conduct which violated the Michigan Insurance Code. Specifically, it was alleged that Respondent failed to remit to American General Life and Accident Insurance Company insurance premiums he had collected from several of his American General customers. OFIR investigated the complaint and initiated a compliance action.

On July 15, 2011, OFIR issued an Administrative Complaint and Order for Hearing which was sent to Respondent. The administrative complaint set forth detailed allegations that Respondent had failed to comply with section 1239(1)(h) of the Michigan Insurance Code, MCL 500.1239(1)(h).

The order for hearing required Respondent to take one of the following actions within 21 days: agree to a resolution of the case, file an answer to the allegations with a statement that Respondent plans to attend the hearing, or request an adjournment. Respondent failed to take any of these actions.

On August 30, 2011, OFIR staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's failure to answer, Petitioner's motion is granted. Based on the administrative complaint, the Commissioner makes the following findings of fact and conclusions of law.

## II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Section 1239(1)(h) of the Insurance Code, allows the Commissioner to revoke 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.
2. Section 1244(1) of the Insurance Code allows the Commissioner to impose civil fines and license revocation for insurance producers who violate any provision of chapter 12 of the Insurance Code.
3. On two occasions in December 2009, Respondent submitted personal checks to American General Life and Accident Insurance Company which Respondent said represented premium payments he had collected from customers to whom he had sold American General insurance policies. The checks were returned by Respondent's bank for nonsufficient funds.
4. By failing to remit insurance premiums he had collected, Respondent engaged in fraudulent and dishonest practices for which the revocation of his producer license and civil fines may be ordered under sections 1239(1)(h) and 1244(1) of the Insurance Code.

## III. ORDER

Pursuant to sections 1239(1) and 1244(1) of the Michigan Insurance Code, it is ordered that:

1. The insurance producer license of Respondent Edmond Reese is revoked.
2. Respondent shall pay a civil penalty of \$500.00.



---

R. Kevin Clinton  
Commissioner