

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

Before the Commissioner of Financial and Insurance Regulation

In the matter of:

Mohamed Saad  
System ID No. 0542243

Enforcement Case No. 11-11338

Respondent.

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ORDER OF SUMMARY SUSPENSION  
AND  
OPPORTUNITY FOR HEARING

Issued and entered  
On August 17 2011  
by Annette E. Flood  
Chief Deputy Commissioner

Pursuant to Section 1242(4) of the Michigan Insurance Code, 1956 PA 218, as amended, MCL 500.1242(4) this matter now comes before the Chief Deputy Commissioner of the Office of Insurance Regulation upon a Petition for Summary Suspension of the insurance producer license held by Mohamed Saad.

**FINDINGS OF FACT**

Reasonable evidence exists to demonstrate the following:

1. The Respondent holds an active Michigan insurance resident producer license with qualifications to transact insurance business in accident, health, life, property and casualty. System ID. 0542243.
2. OFIR staff conducted an audit of the Respondent's licensing application post-licensure and discovered material discrepancies with responses and documents processed with the license application.
3. On or about, December 6, 2010, Respondent submitted an application for licensure as a resident insurance producer to transact insurance business in the additional lines of life, accident and health insurance. The Respondent's application was approved.

4. On or about, February 4, 2011, OFIR licensing staff audited processed applications including the Respondent's application, and discovered material discrepancies with the Respondent's application.
5. OFIR records indicated that Respondent did not pass the required examination(s) for licensure in the additional lines of life, accident and health insurance. Additionally, Respondent did not complete the pre-licensing education requirement for the accident and health lines of authority.
6. Upon request, Respondent was not able to demonstrate completion of the pre-licensing education requirements for the accident and health lines of authority.
7. Upon request, Respondent provided OFIR with an examination report detailing a passing score achieved for the life, accident and health producer examination on January 8, 2011 that does not reconcile with the examination score reported to OFIR by its testing vendor. The testing vendor stated that the Respondent did not pass the examination given on January 8, 2011.
8. OFIR relied on the representations made and documentation submitted by the Respondent and licensed Respondent in the lines of life, accident and health. Respondent is neither qualified, nor eligible to be licensed in the additional lines of life, accident and health.

### CONCLUSIONS OF LAW

1. OFIR administers and regulates the Michigan Insurance Code (the "Insurance Code") 1956 PA 218, as amended, MCL 500.100 *et seq.*, and regulates the licensing and activities of individuals licensed under the Insurance Code.
2. Respondent is currently licensed with OFIR as an insurance producer and appointed with insurance companies.
3. OFIR has jurisdiction over the subject matter of the Petition.
4. The Respondent, as a licensed insurance producer agent with full knowledge of this state's insurance laws, knew or should have known that Section 1205 of the Insurance Code, MCL 500.1205, requires successful completion of pre-licensing insurance courses and passing examination scores prior to being licensed.
5. The Respondent, as a licensed insurance producer agent with full knowledge of this state's insurance laws, knew or should have known that Section 1239(1)(h) of the Insurance Code, MCL 500.1239(1)(h) prohibits the use of fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
6. Respondent has not meet the requirements for licensure pursuant to Section 1205 of the Insurance Code by:

- a. Failing to complete the pre-licensing course of study for the qualifications of accident and health, contrary to MCL 500.1205(c).
  - b. Failing to successfully pass the examination required for the qualifications of accident, health and life, contrary to MCL 500.1205(e).
7. Respondent has violated the public's trust and Section 1239(1) of the Insurance Code by:
- a. submitting incorrect, misleading, incomplete, or materially untrue information in the license application of passing examination scores and completed pre-licensing education requirements, contrary to MCL 500.1239(1)(a);
  - b. obtaining an insurance producer license through misrepresentation or fraud by submitting an examination score report that was not true, accurate and in all likelihood is a forgery, contrary to MCL 500.1239(1)(c); and,
  - c. demonstrating dishonesty throughout the application and licensing process, contrary to MCL 500.1239(1)(h).
8. Respondent has not demonstrated the required competency, skill or education required of the Insurance Code to engage in the business of insurance in the additional lines of life, health and accident insurance.
9. His continued activity exposes the general public to financial risks and harm and the Commissioner needs to take emergency action to protect the public by issuing this Order of Summary Suspension.
10. The immediate harm to the public presented by the continuing operation of the Respondent, as alleged, is much greater than the potential harm to Respondent, which might be occasioned by summary action against Respondent's license and authority.
11. Due process requirements of the Michigan Insurance Code and the Administrative Procedures Act require that a licensee subject to summary disciplinary action be provided with an opportunity for immediate hearing. A summary suspension of Respondent's insurance producer licenses and authority is authorized by Section 92 of the Administrative Procedures Act of 1969, as amended, being MCL 24.292 and in Section 1242(4) of the Insurance Code, MCL 500.1242(4).

### ORDER

Therefore, it is **ORDERED** that:

1. The insurance producer licenses and authority of Respondent Mohamed Saad are hereby **SUMMARILY SUSPENDED**, effective upon service of this Order on Respondent Mohamed Saad.

2. If requested, a hearing on this matter shall be held within a reasonable time, but not later than 20 days after service of this Order, unless Respondent requests a later date. The hearing shall address the following issues: a) the factual allegations set forth in the Staff's Petition for Summary Suspension, b) the continuation of this Order of Summary Suspension, c) the revocation of the insurance producer license of Respondent, and d) the assessment of such fines and restitution as may be authorized under the Insurance Code provisions applicable to this matter.
3. An administrative law judge from the Michigan Administrative Hearing System shall preside over the hearing, if a hearing is requested.
4. A copy of this Order shall be served upon the Respondent immediately. This Order of Summary Suspension is effective upon the date of such service.

The Commissioner specifically retains jurisdiction of the matters contained herein and the authority to issue such further Order(s) as he shall deem just, necessary and appropriate.

#### **RIGHTS AND PROCEDURES IN DIVISION OF INSURANCE HEARING**

If requested, the hearing will be held under the legal authority and jurisdiction granted the Commissioner of the Office of Financial and Insurance Regulation by the Michigan Insurance Code and Uniform Securities Act, and in accordance with provisions of the Administrative Procedures Act of 1969, as amended ("APA"), MCL 24.201 et seq., Procedure for Conducting Hearings Held by the Commissioner of Financial and Insurance Regulation, Administrative Code 1979, R 500.2101 et seq., and other procedural provisions of Michigan law that are appropriate.

**COUNSEL:** A party has the right to be represented by counsel. If a party is represented, counsel is directed to file an appearance promptly with the administrative law judge. Appearances shall contain the counsel's full name, address, and telephone number. The address provided will be the official address for service of documents regarding this matter.

When a party chooses to proceed without counsel, he or she will be held to the same standards as an attorney, including a reasonable knowledge of the rules of evidence as applied in nonjury circuit court civil cases, applicable provisions of the APA, and other relevant laws and procedures.

**FAILURE TO APPEAR:** If a party fails to appear at the hearing, and the hearing, has not been adjourned, the party in attendance may be permitted to proceed with its case and the Commissioner may issue a decision without the participation of the absent party. Failure to appear may also result in a final decision entered against the Respondent by default. If so, the allegations in the Complaint will be taken as true. Substantial penalties for the alleged misconduct, including fines and license revocation, may be ordered.

**ADJOURNMENTS:** No hearing shall be adjourned or continued, except upon an order of the Commissioner or the administrative law judge. All motions and requests for an adjournment, or a continuance, shall be in writing and shall concisely state the reasons why an adjournment or continuance is necessary. No motion or request for an adjournment or a continuance will be

considered unless it is filed at least 5 days prior to the hearing date, except upon order of the Commissioner or the administrative law judge. This exception will be granted only upon a showing, that for reasons not within the control of the party making, the motion or request, the motion or request could not be filed within the time limit.

**DISCOVERY:** The parties may wish to meet with each other to exchange information and materials relevant to the hearing. The offices of OFIR are available for this purpose. All records of a party relating to the subject matter of this hearing, which are not exempt from discovery, shall be made immediately available to every other party for inspection and copying.

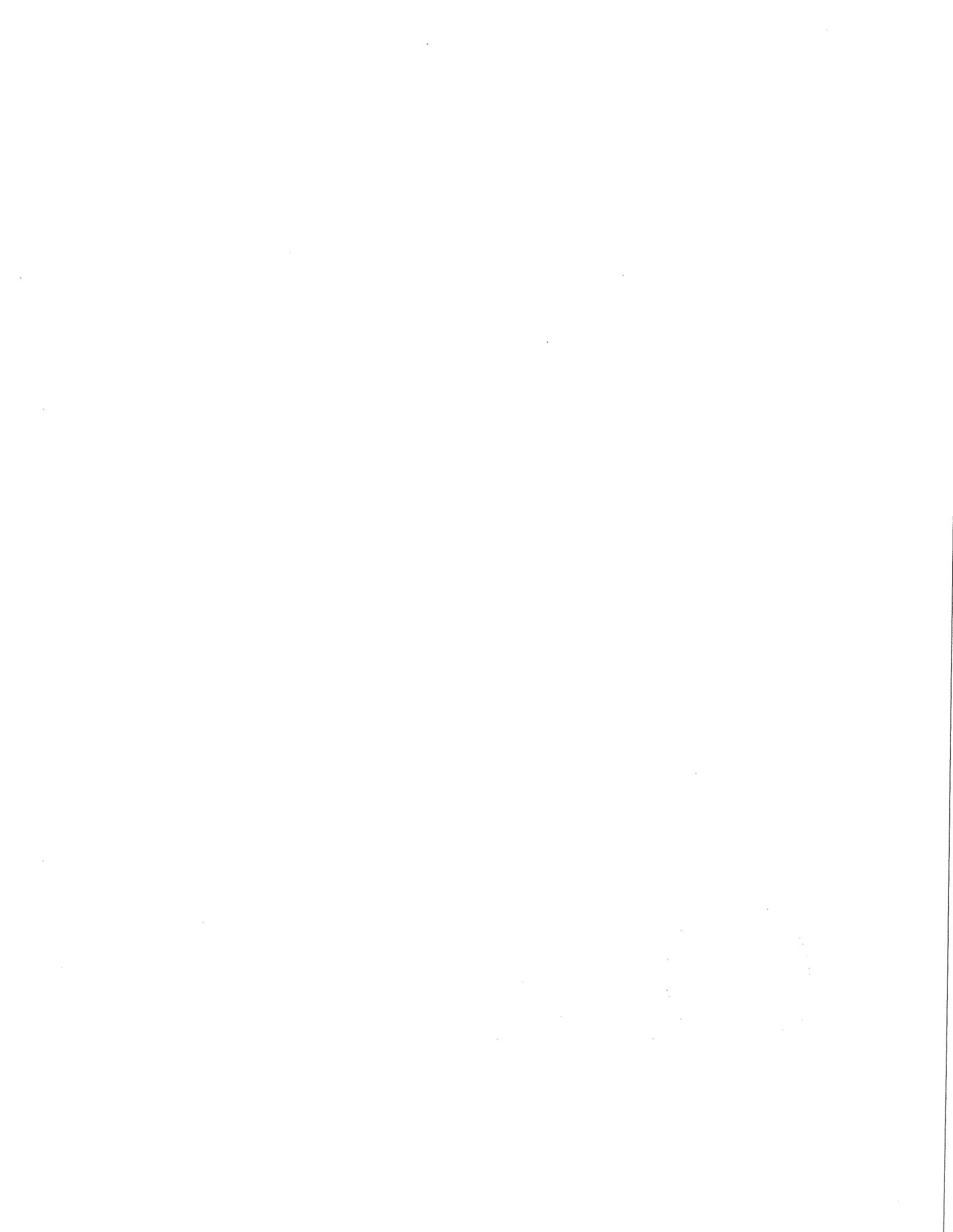
**MOTIONS:** A party may file a motion with the administrative law judge at any stage in the case. All prehearing motions shall be in writing, shall be sent to each party with proof of service, and shall include the specific action requested and reasons for the action. A party may file a response to the motion within 7 days after receiving the motion.

**EXHIBITS AND WITNESSES:** A party has the right to call witnesses and to introduce physical and documentary evidence. Each party may cross-examine the witnesses called by the opposite party. An opportunity for redirect and recross-examination will also be provided. A party may submit rebuttal evidence. Each party may question or contest the admissibility of any exhibit. When an objection is raised to the admission of an exhibit, the grounds for the objection shall be stated.

**DECISION AND APPEAL:** Unless the Commissioner immediately proceeds to a final decision in accordance with Section 81 of the APA, MCL 24.281, the administrative law judge for a case will issue a Proposal for Decision when the hearing and transcripts are completed. The parties will usually be given 30 days to file exceptions to the Proposal for Decision. However, in cases involving summary suspension or matters of significant social and economic impact, the time period for filing exceptions may be shortened to meet the circumstances of a particular case. After the 30 days have elapsed, the Commissioner will issue a Final Decision. A Final Decision issued by the Commissioner may be appealed as provided in the applicable provisions of Michigan law.

OFFICE OF FINANCIAL AND INSURANCE REGULATION

  
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Annette E. Flood  
Chief Deputy Commissioner



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

**Before the Commissioner of Financial and Insurance Regulation**

**In the matter of:**

**Mohamed Saad  
System ID No. 0542243**

**Enforcement Case No. 11-11338**

**Respondent.**

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**PETITION FOR SUMMARY SUSPENSION OF  
INSURANCE PRODUCER'S LICENSE**

**NOW COMES**, the staff of the Office of Financial and Insurance Regulation (OFIR) to petition the Commissioner of OFIR for an Order of Summary Suspension of Respondent's insurance producer's license pursuant to Section 1242(4) of the Michigan Insurance Code, 1956 PA 218, as amended, MCL 500.1242(4). OFIR staff believes that the activities of the Respondent present a serious and immediate threat to the public's health, safety and welfare. OFIR staff believes that emergency action is required and warranted to protect the public's interest. OFIR staff believes that the immediate harm to the public presented by the continuing operation of the Respondent, as alleged below, is much greater than the potential harm to the Respondent that might be occasioned by summary action against the Respondent's licenses and/or authority.

**I. FACTUAL BACKGROUND**

**A. The Parties.**

1. OFIR administers and regulates the Michigan Insurance Code (the "Insurance Code") 1956 PA 218, as amended, MCL 500.100 *et seq.*, and regulates the licensing and activities of individuals licensed under the Insurance Code.
2. Respondent Mohamed Saad is a Michigan resident insurance producer with qualifications to transact insurance business in the lines of accident, health, life, property and casualty.

**B. Respondent's Licensing History**

3. On or about, August 13, 2010, Respondent submitted an application for licensure as a resident insurance producer to transact business in the lines of property and casualty. Pursuant to Section 1205 of the Insurance Code, the Respondent's application was approved.
4. On or about, December 6, 2010, Respondent submitted an application for licensure as a resident insurance producer to transact insurance business in the additional lines of life, accident and health insurance. The Respondent's application was approved.

5. On or about, February 4, 2011, OFIR licensing staff audited processed applications including the Respondent's application, and discovered material discrepancies with the Respondent's application.
6. More specifically, OFIR records indicated that Respondent did not pass the required examination(s) for licensure in the additional lines of life, accident and health insurance. Additionally, Respondent did not complete the pre-licensing education requirement for the accident and health lines of authority.
7. In an attempt to demonstrate compliance with licensing requirements, Respondent provided OFIR with an examination report detailing a passing score achieved for the life, accident and health producer examination on January 8, 2011. OFIR staff verified the examination report information with its testing vendor and discovered the examination report is not the report issued to Respondent. On January 8, 2011, Respondent sat for the life, accident and health examination and failed the exam. Additionally, Respondent made several attempts after January 8<sup>th</sup> to pass life, accident and health examinations failing each time. Thus, OFIR staff believes the examination report detailing a passing score is a forged document.
8. Respondent was not able to confirm completion of pre-licensing education requirements for the accident and health lines of authority.
9. OFIR relied on the representations made and documentation submitted by the Respondent and licensed Respondent in the lines of life, accident and health. Respondent is neither qualified, nor eligible to be licensed in the additional lines of life, accident and health.

**C. Respondent has not met the minimum licensing requirements of Section 1205 of the Insurance Code**

10. Section 1205 of the Insurance Code provides that "an application for a resident insurer producer license shall not be approved unless the commissioner finds that the individual meets all of the following:
  - (a) Is at least 18 years of age.
  - (b) Has not committed any act listed in section 1239(1).
  - (c) As required under section 1204(2), has completed a prelicensing course of study for the qualifications for which the person has applied.
  - (d) Has paid the fees applicable to the individual under section 240.
  - (e) Has successfully passed the examination required for each qualification for which the person has applied.
11. Section 1239(1) of the Insurance Code prohibits certain acts of applicants. Mainly, an applicant may not provide incorrect, misleading, incomplete, or materially untrue

information in the license application. MCL 500.1239(1)(a). Nor, may an applicant obtain or attempt to obtain a license through misrepresentation or fraud. MCL 500.1239(1)(c).

12. OFIR staff believes an Order of Summary Suspension is warranted where Respondent has not demonstrated that he possesses the knowledge, skill, or experience to engage in the business of insurance in this state in accordance with Michigan's insurance laws. The public is at risk where Respondent lacks the requisite knowledge, skill and experience to keep, preserve and maintain assets and families from loss or harm based on an insurance product that may or may not be suitable.
13. The Respondent's conduct demonstrates dishonesty and untrustworthiness in the conduct of insurance business, contrary to the Insurance Code.
14. OFIR staff believes that the activities of the Respondent present a serious and immediate threat to the public's health, safety and welfare. OFIR staff believes that emergency action is required and warranted to protect the public's interest.

## **II. RELEVANT LAWS VIOLATED**

### **COUNT I**

#### **Violation of MCL 500.1239(1)(a)**

#### **Submitting Incorrect, Misleading, Incomplete, Or Materially Untrue Information In The License Application**

15. Petitioner incorporates by reference paragraphs 1 through 14.
16. A person may not provide incorrect, misleading, incomplete, or materially untrue information in the license application. MCL 500.1239(1)(a).
17. Respondent violated Section 1239(1)(a) by submitting an incorrect, misleading, and materially untrue examination score report as part of licensing application, which details a passing score of requisite exams. According to OFIR's investigation, the examination score report was forged.
18. As a result, Respondent's lack of demonstrated knowledge, skill and experience of the insurance industry and its products may jeopardize the financial, health and safety of Michigan consumers that transact business with Respondent.
19. Moreover, Respondent's conduct breaches the public's trust and confidence of the insurance industry as a whole.

**COUNT II**  
**Violation of MCL 500.1239(1)(c)**  
**Obtaining A License Through Misrepresentation or Fraud**

20. Petitioner incorporates by reference paragraphs 1 through 19.
21. A person may not obtain or attempt to obtain a license through misrepresentation or fraud. MCL 500.1239(1)(c).
22. Respondent violated Section 1239(1)(c) by obtaining a license using a fraudulent examination score report which details a passing score of requisite exams. The examination score report is alleged to be forged.
23. As a result, Respondent's lack of demonstrated knowledge, skill and experience of the insurance industry and its products may jeopardize the financial, health and safety of Michigan consumers that transact business with Respondent.
24. Moreover, Respondent's conduct breaches the public's trust and confidence of the insurance industry as a whole.

**COUNT III**  
**Violation of MCL 500.1239(1)(h)**  
**Prohibited Conduct – Dishonest Practices**

25. Petitioner incorporates by reference paragraphs 1 through 24.
26. A person may not use dishonest practices. MCL 500.1239(1)(h).
27. Respondent violated Section 1239(1)(h) by submitting an examination score report demonstrating a passing grade that he knew or had reason to know was not accurate; and, that he either knew or had reason to know the report was altered in a way to misrepresent the true status of his examination scores.
28. As a result, Respondent's lack of demonstrated knowledge, skill and experience of the insurance industry and its products may jeopardize the financial, health and safety of Michigan consumers that transact business with Respondent.
29. Moreover, Respondent's conduct breaches the public's trust and confidence of the insurance industry as a whole.

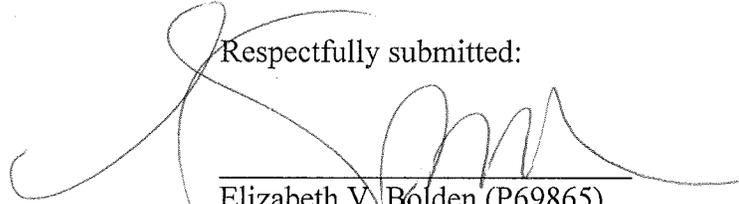
**III. RELIEF REQUESTED**

Based on the allegations set forth above and the belief that such activity is an ongoing practice detrimental to investors, prospective investors, policyholders, prospective policy holders, and other insurers whom the Respondent represents as appointed agent, staff believes that emergency action by the Chief Deputy Commissioner is required to protect the public from

the ongoing activities of the Respondent which have violated the Michigan Insurance Code. Staff therefore petitions the Chief Deputy Commissioner to:

1. Summarily suspend the insurance producer licenses of Mohamed Saad.
2. If requested, issue an order for notice of hearing, which shall address a) the factual allegations set forth above, b) the continuation of the order of summary suspension, c) the revocation of the insurance producer licenses of Respondent, and d) assessment of such fines and restitution as may be authorized under the Code provisions applicable to this matter.
3. Designate that an administrative law judge from the Michigan Administrative Hearing System preside over the hearing, if one is requested.
4. Proposed Order attached.

Respectfully submitted:



Elizabeth V. Bolden (P69865)  
Office of General Counsel  
Michigan Office of Financial and  
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(517) 241-6610

Attorney for the Petitioner

Dated: 8/15/2011

#### **RIGHTS AND PROCEDURES**

A hearing will be held under the legal authority and jurisdiction granted the Commissioner of the Office of Financial and Insurance Regulation ("Commissioner") by the Michigan Insurance Code, MCL 500.1101 *et seq.* This formal administrative hearing will be held in accordance with provisions of the Administrative Procedures Act of 1969, as amended (APA), MCL 24.201 *et seq.*, Insurance Bureau Hearing Procedures, 1979 Administrative Code, R 500.2101 *et seq.*, and other procedural provisions of Michigan law that are appropriate.

The hearing will be held before an administrative law judge who will prepare a Proposal for Decision (PFD) for the Commissioner's review to help determine if the facts as alleged are true,

whether the laws of the State of Michigan have been violated and, if so, what remedies should be ordered.

**COUNSEL:** A party has the right to be represented by counsel. If a party is represented, counsel is directed to file an appearance promptly. The address provided will be the official address for service of documents regarding this matter.

When a party chooses to proceed without counsel, he or she will be held to the same standards as an attorney, including a reasonable knowledge of the rules of evidence as applied in nonjury circuit court civil cases and knowledge of other relevant laws and procedures.

**FAILURE TO APPEAR:** If a party fails to appear at the hearing, and the hearing has not been adjourned, the party in attendance may be permitted to proceed with its case and the Commissioner may issue a decision without the participation of the absent party. Failure to appear may also result in a final decision entered against the party by default in which the allegations in the Complaint are taken as true.

**ADJOURNMENTS:** All motions and requests for an adjournment shall be in writing and shall concisely state the reasons why an adjournment is necessary. No motion or request for an adjournment or a continuance will be considered unless it is filed at least 5 days prior to the hearing date except upon good cause shown.