

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Department of Insurance and Financial Services

Enforcement Case No. 13-11728

Agency No. 13-923-L

Petitioner,

v

Brent Arthur Stanton

System ID No. 601879

Respondent.

_____ /

Issued and entered
on July 11, 2013
by Randall S. Gregg
Special Deputy Director

FINAL DECISION

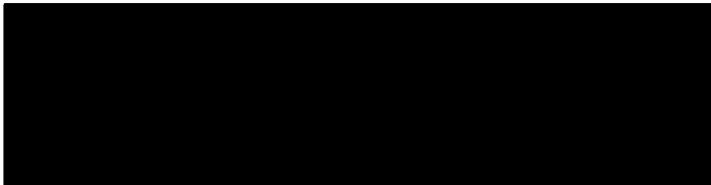
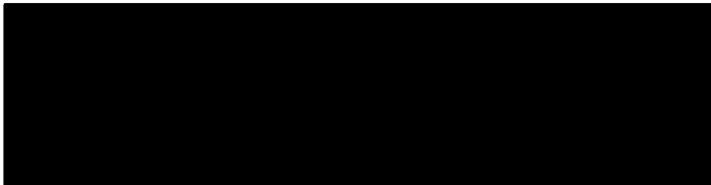
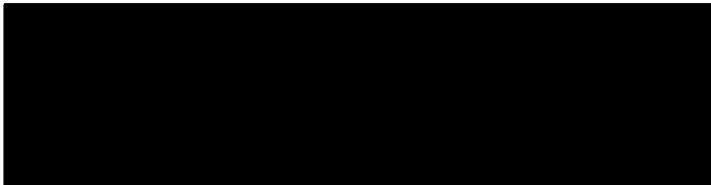
I. Background

Brent Arthur Stanton (Sys. ID No. 507184) (hereinafter Respondent) is a licensed resident insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent misappropriated client funds. After investigation and verification of this information, on April 11, 2013, DIFS issued Respondent an Order of Summary Suspension, Notice of Opportunity for Hearing and Notice of Intent to Revoke alleging that Respondent had provided justification for immediate suspension of licensure, revocation of his insurance producer's license and other sanctions pursuant to Sections 1207(1), 1239(1) and 1244(1)(a-c) of the Michigan Insurance Code (Code), MCL 500.1207(1), 500.1239(1) and 500.1244(1)(a-c). Respondent failed to reply to the Order of Summary Suspension or request a hearing on the same.

On June 5, 2013, DIFS staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's failure to respond, Petitioner's motion is granted. The Order of Summary Suspension, being unchallenged, is accepted as true. Based upon the Order of Summary Suspension, the Director makes the following Findings of Fact and Conclusions of Law.

II. Findings of Fact and Conclusions of Law

1. At all relevant times, Respondent was a licensed resident producer with qualifications in property and casualty, and was authorized to transact the business of insurance in Michigan.
2. On October 24, 2012, DIFS received a complaint from Respondent's previous employer, alleging that Respondent was stealing insureds' cash premium payments and replacing the cash with checks, drawn on a cancelled checking account belonging to Respondent.
3. To date, DIFS staff has sent letters by both certified and first class mail to 3 addresses associated with Respondent. No response to any mailing has been received.
4. The investigation by DIFS staff conducted without Respondent's cooperation indicates that on September 19, 2012 Respondent collected a \$135 cash payment from Insured L., a policyholder with Allstate Insurance.
5. Respondent failed to remit Insured L.'s cash payment to his employer's agency account.
6. Instead, a personal check in the amount of \$135, drawn on an account belonging to Respondent, was deposited into the employer's agency account.
7. The \$135 personal check was returned on September 25, 2012 due to the closure of Respondent's account.
8. Investigation by DIFS staff also indicates that on September 28, 2012 Respondent collected a \$190 cash payment from Insured E., a policyholder with Allstate. Respondent also collected a \$96 cash payment from Insured H., a policyholder with Allstate.
9. Respondent failed to remit the total cash received from both Insured E. and Insured H., \$286, to his employer's agency account.
10. Instead, a personal check in the amount of \$286 drawn on an account belonging to Respondent, was deposited into the employer's agency account.
11. The \$286 personal check was returned on September 28, 2012 due to the closure of Respondent's account.
12. Section 1207(1) of the Code states that "[a]n agent shall be a fiduciary for all money received or held by the agent in his or her capacity as an agent. Failure by agent in a timely manner to turn over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility." MCL 500.1207(1).

13. Section 1239(1)(d) of the Code provides that the Director may discipline a producer for “[i]mproperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.” MCL 500.1239(1)(d)
14. The aforementioned cash payments received by Respondent were received in the course of doing insurance business and by failing to remit said payments, Respondent improperly withheld, misappropriated, or converted such money, thus providing justification for discipline under Section 1239(1)(d) of the Code.
15. Section 1239(1)(h) of the Code provides that the Director may discipline a producer for “[u]sing fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.” MCL 500.1239(1)(h).
16. Respondent’s depositing of personal checks drawn on a closed account is a fraudulent or dishonest practice, or alternatively demonstrates incompetence, untrustworthiness, and financial irresponsibility in the conduct of business.
17. The conduct of Respondent indicates that Respondent does not possess the requisite character and fitness to be engaged in the business of insurance and further indicates that Respondent does not command the confidence of the public nor warrant the belief that Respondent will comply with the law.
18. The conduct of Respondent indicated that a summary suspension of licensure was appropriate and necessary in order to protect the public from further financial damage and other harm and to protect the public interest.
19. An Order of Summary Suspension, Notice of Opportunity for Hearing and Notice of Intent to Revoke were entered on April 11, 2013, and mailed by first class mail to Respondent at the following addresses on file:
 - a. 
 - b. 
 - c. 
20. Respondent was required to request a hearing on or before May 8, 2013 to determine the validity of the allegations against him.
21. Respondent failed to respond or to request a hearing in this matter. *See* Petitioner’s Exhibit 1, Affidavit of Judy V. Deshazor.
22. Despite DIFS staff having made reasonable efforts to serve Respondent and having complied with MCL 500.1238, Respondent has failed to appear and defend.

23. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.
24. Therefore, where Respondent has been given notice and an opportunity to have a hearing on this matter and Respondent has not responded nor appeared to defend, the Petitioner is entitled to an entry of default and a Final Decision revoking Respondent's resident insurance producer license.

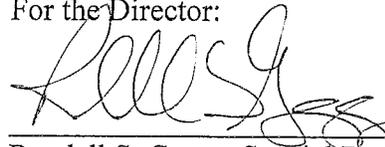
III. Order

Based upon the Findings of Fact and Conclusions of Law cited above, it is ORDERED that:

1. Respondent CEASE AND DESIST from further violations of the Code.
2. Respondent CEASE AND DESIST from engaging in the business of insurance.
3. Respondent's insurance producer license (System ID No.601879) is **REVOKED**.

R. Kevin Clinton, Director

For the Director:



Randall S. Gregg, Special Deputy Director