

**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. 13-11847
Agency No. 14-060-L**

Petitioner,

v

Paul W. Carpenter

System ID No. 0066298

Respondent.

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Issued and entered
on January 13, 2015
by **Randall S. Gregg**
Deputy Director

FINAL DECISION

I. Background

Paul W. Carpenter (hereinafter Respondent) is a licensed resident insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent had provided justification for sanctions, pursuant to Section 1239(1)(b) of the Michigan Insurance Code (Code), MCL 500.1239(1)(b), by violating Section 249(a) of the Code, MCL 500.249(a), as a result of failing to respond to repeated correspondence from DIFS Staff as required by law. On October 23, 2013, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent had provided justification for revocation of licensure and other sanctions pursuant to Sections 1239(1) and 1244(1)(a-d) of the Code, MCL 500.1239(1) and 500.1244(1)(a-d). Respondent failed to reply to the NOSC.

On November 20, 2014, DIFS issued an Administrative Complaint and Order for Hearing which was served upon Respondent. The Order for Hearing required Respondent to take one of the following actions within 21 days: (1) agree to a resolution of the case, (2) file a response to the allegations with a statement that Respondent planned to attend the hearing, or (3) request an adjournment. Respondent failed to take any of these actions.

On December 17, 2014, 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 Administrative Complaint, being unchallenged, is accepted as true. Based upon the Administrative Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

II. Findings of Fact and Conclusions of Law

1. Pursuant to Executive Order 2013-1, all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of DIFS.
2. Respondent was a licensed resident insurance producer, with qualifications in Accident and Health, Life, and Variable Annuities, and his license is currently inactive.
3. On May 8, 2013, DIFS' Office of Consumer Services received a complaint concerning an annuity Respondent had sold to a customer. The complaint also alleged that Respondent had sold portions of his customer's stock without his customer's permission.
4. On May 20, 2013, DIFS' Office of Consumer Services sent Respondent a letter to his business address of record at Strategic Financial Services, 200 E. Big Beaver Rd., Troy, MI, requesting that he respond to the allegations in the complaint against him.
5. On May 30, 2013, the letter was returned as undeliverable.
6. On June 26, 2013, DIFS Staff mailed the letter to Respondent's home address of record at [REDACTED], MI [REDACTED].
7. On June 26, 2013, DIFS Staff verified Respondent's home address as [REDACTED] MI [REDACTED].
8. On July 15, 2013, the letter was returned undeliverable "as addressed." DIFS Staff called Respondent at his home phone number of record and left him a message to call back and confirm his address.
9. Respondent did not return the July 15, 2013, phone call.
10. On July 18, 2013, DIFS Staff again telephoned Respondent and left him a message requesting that he call back.
11. Respondent did not return the July 18, 2013, phone call.
12. On July 24, 2013, DIFS Staff called Strategic Financial Services and learned that Respondent had not been employed with them for at least 2 years.
13. On August 1, 2013, DIFS Staff emailed Respondent at the email address he had previously provided to DIFS. The email informed Respondent that DIFS had been trying to contact him since May 2013, and that he had until August 8, 2013, to reply.

14. Respondent did not reply to this email.
15. As a licensee, Respondent knew or had reason to know that Section 249(a) of the Code, MCL 500.249(a), provides that licensees are required to respond to correspondence from DIFS.
16. Respondent violated Section 249(a) of the Code MCL 500.249(a) by failing to respond to the repeated telephone calls and email by DIFS Staff.
17. Respondent has provided justification for sanctions, pursuant to Section 1239(1)(b) and 1244(1) of the Code, by failing to respond to repeated correspondence from DIFS Staff.
18. Based upon the actions listed above, Respondent has committed acts that provide justification for the Director to order the payment of a civil fine and/or other licensing sanctions, including revocation of licensure.
19. On October 23, 2013, a Notice of Opportunity to Show Compliance was mailed by first class mail to Respondent at the following addresses on file:

Paul Carpenter
Strategic Financial Services
200 E. Big Beaver Road
Troy, MI 48083-1208

The mail was returned by the U.S. Postal Service marked "not deliverable as addressed."
The NOSC was resent to:

Paul Carpenter

[REDACTED]
MI [REDACTED]

The mail was returned by the U.S. Postal Service marked "not deliverable as addressed."

20. A search was undertaken of the following to ascertain a correct address for Respondent:
 - a. Michigan Secretary of State database
 - b. Contact information on file with Respondent's appointing authorities
21. Respondent's home address was verified. No further information was found.
22. On September 17, 2014, and October 27, 2014, DIFS Staff again attempted to contact Respondent by leaving urgent voicemail messages at his home phone number of record. Respondent's full name is provided on his outgoing message. Respondent did not return any of the calls.

23. On September 19, 2014, DIFS Staff again sent an email to Respondent's email address of record requesting a response. No response was received.
24. On November 20, 2014, true copies of an Administrative Complaint, Order for Hearing and Notice of Hearing were mailed by first class mail to Respondent at the following addresses of record on file with DIFS:

Paul Carpenter
Strategic Financial Services
200 E. Big Beaver Road
Troy, MI 48083-1208

Paul Carpenter

[REDACTED]
MI

The mail was returned marked "not deliverable as addressed."

25. On November 20, 2014, true copies of an Administrative Complaint, Order for Hearing and Notice of Hearing were emailed to Respondent at his email address of record. DIFS has received no response from the Respondent.
26. DIFS Staff have made reasonable efforts to serve Respondent and have complied with MCL 500.1238(2) and R 500.2107(4).
27. Respondent has received notice and has been given an opportunity to respond and appear and has not responded or appeared.
28. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.

III. Order

Based upon the Respondent's conduct and the applicable law cited above, it is ordered that:

1. Respondent shall cease and desist from violating the Code.
2. Respondent shall immediately cease and desist from engaging in the business of insurance.

3. Respondent has violated MCL 500.249(a) and has provided justification for sanctions pursuant to MCL 500.1239(1)(b). Pursuant to MCL 500.1244(1)(d), Respondent's resident insurance producer license (System ID No. 0066298) is **REVOKED**.

Annette E. Flood, Director
For the Director:



Randall S. Gregg, Deputy Director