

**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
Petitioner,

Case No. 23-1087-L
Docket No. 23-020822

v

**PDB Investments & Insurance Agency also known as
P. Boyce Insurance Agency, Inc.**
System ID No. 0094126

Paris Dozshon Boyce
System ID No. 0436952

D'Lante Boyce
System ID No. 0761709

Respondents.

ISSUED AND ENTERED

on **November 22, 2024**
by **Anita G. Fox**
Director

FINAL DECISION

I. INTRODUCTION

This matter concerns an enforcement action initiated by Petitioner Department of Insurance and Financial Services (DIFS) (Petitioner) against Respondents PDB Investments & Insurance Agency, Inc., Paris Boyce, and D'Lante Boyce (collectively Respondents) alleging that Respondents violated the Michigan Insurance Code (Code), MCL 500.100 *et seq.*, in connection with automobile and life insurance transactions.¹

Respondent PDB Investments & Insurance Agency, Inc. (Respondent Agency) (System ID No. 0094126) is an actively licensed resident insurance agency with qualifications in accident and health, casualty, life, property, and variable annuities. Respondent Paris Boyce (Respondent Paris) (System ID No. 0436952) is an actively licensed resident insurance producer with qualifications in accident and health,

¹ See Certified Record, pp 1522-1549.

casualty, life, property, and variable annuities. Respondent Paris is also the Designated Responsible Licensed Producer (DRLP) and owner of Respondent Agency. Respondent D'Lante Boyce (Respondent D'Lante) (System ID No. 0761709) is an actively licensed resident insurance producer with qualifications in casualty and property insurance.

A hearing was held on April 8, 2024, and continued on April 9 and 10, 2024. On October 4, 2024, Administrative Law Judge Lindsay Wilson (Judge Wilson) issued a Proposal for Decision (PFD) concerning this enforcement matter.² In the PFD, Judge Wilson concluded that Respondents Agency and D'Lante were held in default and that, as a result, no witnesses were called to testify on their behalf.³ Judge Wilson concluded that Petitioner met its burden of proof with respect to numerous allegations contained in Petitioner's Complaint and that Respondents' conduct justified sanctions pursuant to MCL 500.150, MCL 500.1239(1)(c), (f), and (g), MCL 500.1239(2)(e), MCL 500.1239(5), MCL 500.1244(1), MCL 500.2038(1), and MCL 500.2277. Judge Wilson based her recommendation in the PFD on the pleadings, documentary evidence presented by the parties in support of their respective positions, and oral argument.

II. EXCEPTIONS

Pursuant to the PFD, the parties had until October 25, 2024, to file exceptions to the PFD. On October 25, 2024, Respondents Paris and D'Lante filed their Exceptions to the PFD.⁴ Respondents' Exceptions consisted solely of complaints concerning Petitioner's chosen witnesses, claims that DIFS, the Michigan Automobile Insurance Placement Facility (MAIPF), and the Michigan Department of State (MDOS) are "corrupt agencies" that make up laws and rules based on opinion, which MOAHR "rubber stamps,"⁵ and unsupported allegations that Petitioner failed to meet its burden of proof. Respondents did not include any specific argument pertaining to the evidence or the conclusions set forth in the PFD. On November 7, 2024, Petitioner filed a Response to Respondents' Exceptions seeking a Final Decision adopting the findings of facts and conclusions of law set forth in the PFD, revocation of Respondents' licenses, and any additional sanctions deemed appropriate. On November 18, 2024, Respondents filed a Response to Response to Exceptions.

III. FINDINGS OF FACT

The Findings of Fact in the October 4, 2024, Proposal for Decision are adopted and made part of this Final Decision, subject to the following modifications:

1. On page 47 of the PFD, an additional finding of fact, numbered 71, shall be deemed added, as follows:

71. Due to Respondent D'Lante Boyce and Respondent PDB Investment's default in this matter, all findings of fact contained in the Statement of Factual Allegations in the Petitioner's Complaint as against these two Respondents are accepted as true in all respects.⁶

² See Certified Record, p 13.

³ See Certified Record, pp 24 and 42.

⁴ Respondent Agency did not file Exceptions to the PFD.

⁵ See Certified Record, pp 9-11.

⁶ See Certified Record, p 1530.

2. On page 61, paragraph 4, line 3 of the PFD, "zi code" shall be deemed changed to "zip code."
3. On page 37, paragraph 3, line 1 of the PFD, "Automotive" shall be deemed changed to "Automobile."

With the above modifications, the PFD's Findings of Fact are in accordance with the preponderance of the evidence and are adopted in full and made part of this Final Decision. Key portions of the findings of fact are summarized as follows:

1. At all relevant times, Respondent Paris was licensed as a resident insurance producer with qualifications in accident and health, casualty, life, property, and variable annuities. Respondent Paris was also the DRLP of Respondent Agency.
2. At all relevant times, Respondent D'Lante was licensed as a resident insurance producer with qualifications in casualty and property insurance.
3. At all relevant times, Respondent Agency was licensed as a resident agency with qualifications in accident and health, casualty, life, property, and variable annuities.
4. In August 2018, pursuant to an investigation performed by the MDOS the MDOS Insurance Fraud Investigation Unit determined that MDOS would no longer accept written statements verifying insurance from Respondents.
5. On August 20, 2018, a MDOS fraud investigation agent sent to Petitioner an Investigation Report concerning Respondents presenting falsified insurance certificates to the MDOS for several consumers.
6. On numerous occasions throughout 2018, Respondents submitted inaccurate statements on life insurance applications.
7. On numerous occasions in 2018, Respondents made fraudulent representations to insurers in order to add drivers, identified as "friend," and/or vehicles to policies that were removed a few days thereafter.
8. On numerous occasions throughout 2019, Respondents paid premiums on behalf of insureds, failed to maintain appropriate records, engaged in the unauthorized receipt of funds, and misrepresented the terms of insurance policies.
9. On January 6, 2020, the MAIPF issued a second Notice of Disqualification to Respondent Paris disqualifying him from placing business through the MAIPF due to numerous violations and deficiencies as defined in the MAIPF Producer Violations Guide.⁷

⁷ The MAIPF sent its first disqualification letter to Respondent Paris on August 16, 2018, which was subsequently reversed.

10. On numerous occasions throughout 2020, Respondents used incorrect zip codes in policy applications to provide customers reduced premiums resulting in the policies being rated by insurers in a lower rated territory.
11. On July 16, 2021, DIFS' Director issued a Final Decision affirming the MAIPF's disqualification of Respondent Paris.

IV. CONCLUSIONS OF LAW

The Conclusions of Law in the October 4, 2024, Proposal for Decision are adopted, subject to the following modification:

1. Any reference in the PFD to Petitioner's failure to meet its burden with respect to Respondents' alleged Code violations shall be deemed only a failure of Petitioner to meet its burden of proof with respect to Respondent Paris. Respondents Agency and D'Lante have been held in default, and therefore, all allegations contained in Petitioner's Complaint as to Respondents D'Lante and Agency are accepted as true in all respects. *See American Central Corp v Stevens Van Lines, Inc*, 303 NW2d 234 (1981) ("Entry of a default is equivalent to an admission by the defaulting party as to all well-pleaded allegations").

With the above modification, the PFD's Conclusions of Law are supported by reasoned opinion and are adopted in full and made part of this Final Decision. The Conclusions of Law are summarized as follows:

1. Petitioner did not meet its burden of proof with respect to the allegation against Respondent Paris, in Paragraph 34(l) and (K) of Petitioner's Complaint, that he signed and/or endorsed customers' refund checks or that he failed to have the customers' signatures on their refund checks in violation of MCL 500.1239(1)(g).
2. Petitioner did not meet its burden of proof with respect to the allegation against Respondent Paris, in Paragraph 38 of Petitioner's Complaint, that he failed to inform DIFS' Director of a change of legal name or address, and of the administrative action taken by the MAIPF, within thirty days of the change and final disposition of the matter in violation of MCL 500.1247(1).
3. Petitioner did not meet its burden of proof with respect to the allegation against Respondent Paris, in Paragraph 18⁸ of Petitioner's Complaint, that he unlawfully paid the down payments on policies issued through the MAIPF on behalf of insureds, in violation of MCL 500.2066(1).
4. Petitioner did not meet its burden of proof with respect to the allegation against Respondent Paris, in Paragraphs 7 and 8 of Petitioner's Complaint, that he presented certificates of insurance with false information to the MDOS for the specific consumers referenced in the last paragraph on page 68 of the PFD, in violation of MCL 500.2271(a).

⁸ Although the PFD cites Paragraph 17, the paragraph of the Complaint that references this allegation is Paragraph 18.

5. Petitioner did not meet its burden of proof with respect to the allegation against Respondent Paris, in Paragraph 50(G) of Petitioner's Complaint, that he falsely claimed that customers had endorsed refund checks when Respondents had endorsed the checks, in violation of MCL 500.4503(a).
6. Petitioner did not meet its burden of proof with respect to the allegation against Respondent Paris, in Paragraph 52(G) of Petitioner's Complaint, that he falsely claimed that customers had endorsed refund checks when Respondents had endorsed the checks, in violation of MCL 500.4503(b).
7. Respondents Agency and D'Lante are in default, and the factual and legal allegations set forth in the Complaint are therefore adopted as true in all respects.⁹
8. Respondents knew or should have known that Section 1205(2)(b) of the Code, MCL 500.1205(2), requires Respondent Paris, as Respondent Agency's DRLP, to ensure Respondent Agency's compliance with this state's insurance laws, rules, and regulations. By failing to take corrective action and report Respondent Agency's Code violations to DIFS, as set forth in the PFD, Respondent Paris violated Section 1205(2)(b) of the Code, MCL 500.1205(2)(b).
9. Respondents knew or should have known that Section 1207(2) of the Code, MCL 500.1207(2),¹⁰ requires licensees to use reasonable accounting methods to record funds received in his or her fiduciary capacity including the receipt and distribution of all premiums due each of his or her insurers. By failing, on numerous occasions, to maintain documentation concerning the receipt and distribution of premiums and failing to use reasonable accounting methods, as set forth in the PFD, Respondents Paris and Agency violated Section 1207(2) of the Code, MCL 500.1207(2).
10. Respondents knew or should have known that Section 1239(1)(c) of the Code, MCL 500.1239(1)(c), prohibits licensees from intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance. By preparing and presenting applications for insurance with incorrect zip codes on several occasions, representing the false existence of 7-day policies with the MAIPF, and utilizing Respondent Agency's bank account while representing the account belonged to insureds, as set forth in the PFD, Respondents violated Section 1239(1)(c) of the Code, MCL 500.1239(1)(c).
11. Respondents knew or should have known that Section 1239(1)(g) of the Code, MCL 500.1239(1)(g), prohibits fraudulent, coercive, or dishonest practices and/or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business. By engaging in repeated instances of fraudulent, coercive, dishonest, untrustworthy and

⁹ See Certified Record, pp 192, 376, 543 (as to Judge Wilson's default ruling and rationale).

¹⁰ MCL 500.1207 was amended effective May 5, 2024. The section cited herein, however, was in effect at all times relevant to Petitioner's Complaint.

irresponsible conduct, as set forth in the PFD, Respondents violated Section 1239(1)(g) of the Code, MCL 500.1239(1)(g).

12. Respondents knew or should have known that Section 2003 of the Code, MCL 500.2003, prohibits licensees from engaging in a trade practice that is defined or described as an unfair method of competition or an unfair or deceptive act or practice in the business of insurance. By indicating that one or more automobile insurance policies were 7-day policies, intentionally entering incorrect zip codes on insurance applications, falsely claiming that individuals and/or vehicles were being added to existing policies, submitting life insurance applications that falsely claimed to have been signed by the applicant, and using Respondent Agency's bank account while representing that the account belonged to insureds, as set forth in the PFD, Respondents violated Section 2003 of the Code, MCL 500.2003, by engaging in conduct defined by MCL 500.2005(a), MCL 500.2018, and MCL 500.2024.
13. Respondents knew or should have known that Section 2066(1) of the Code, MCL 500.2066(1), prohibits licensees from offering, promising, allowing or giving, directly or indirectly, any rebate of the premium payable on any policy, or other benefit or inducement to or for insurance not specified in the contract. By Respondents repeatedly paying the premium for life insurance policies through Respondent Agency's bank account, as described in the PFD, Respondents violated Section 2066(1) of the Code, MCL 500.2066(1).
14. Respondents knew or should have known that Section 2271(a) of the Code, MCL 500.2271(a), prohibits licensees from issuing or delivering a certificate of insurance that purports to alter, amend, or extend the coverage provided by an insurance policy referenced in the certificate of insurance. Section 2271(b) of the Code, MCL 500.2271(b), prohibits licensees from preparing or issuing a certificate of insurance that contains any false or misleading information concerning an insurance policy referenced in the certificate of insurance. By presenting certificates of insurance with respect to consumers T.C. and S.A. that purported to affirmatively extend coverage that did not exist at the time T.C. or S.A. sought registration, Respondents violated Section 2271(a) and (b) of the Code, MCL 500.2271(a) and (b).
15. Respondents knew or should have known that Section 3101a(5) of the Code, MCL 500.3101a(5), subjects licensees to a monetary fine or a misdemeanor conviction for supplying false information to the MDOS or for issuing or using an altered, fraudulent, or counterfeit certificate of insurance. By presenting certificates of insurance to the MDOS containing false and misleading information, Respondents violated Section 3101a(5) of the Code, MCL 500.3101a(5).
16. Respondents knew or should have known that Section 4503(a) of the Code, MCL 500.4503(a), prohibits licensees from presenting, preparing, or submitting applications for insurance, certificates of insurance, and/or equivalent documents containing false information or misrepresentations with the intent to injure, defraud, or deceive. By engaging in the numerous instances of intentional misconduct concerning applications for insurance, as set forth in the PFD, Respondents violated Section 4503(a) of the Code, MCL 500.4503(a).

17. Respondents knew or should have known that Section 4503(b) of the Code, MCL 500.4503(b), prohibits licensees from preparing or assisting, abetting, soliciting, or conspiring with another to prepare or make an oral or written statement that is intended to be presented to an insurer in connection with an application for an insurance policy, knowing that the statement contains any false information concerning any fact material to the application. By engaging in the numerous instances of intentional misconduct concerning applications for insurance, as set forth in the PFD, Respondents violated Section 4503(b) of the Code, MCL 500.4503(b).
18. Respondents knew or should have known that Section 4503(g)(i)-(ii) of the Code, MCL 500.4503(g)(i)-(ii), prohibits, as a fraudulent insurance act, the knowing diversion, attempt to divert, or conspiracy to divert funds of an insurer or other person in connection with either the transaction of insurance or the conduct of business activities by an insurer. By engaging in the numerous instances of intentional misconduct, as set forth in the PFD, Respondents diverted the funds of an insurer in violation of Section 4503(g)(i)-(ii) of the Code, MCL 500.4503(g)(i)-(ii).
19. Because Respondents knew or reasonably should have known that they were in violation of the Code on numerous occasions, and the record evidence reflects at least 100 violations of the Code, enhanced sanctions as reflected below in the Director's Order are appropriate under MCL 500.1244(1)(a), MCL 500.150(1)(a), MCL 500.2038(1)(a), and MCL 500.2277(a).

V. ORDER

Based upon the Respondents' conduct and the applicable law cited above, it is **ORDERED** that:

1. The PFD is adopted, subject to the above modifications, and made part of this Final Decision.
2. Respondent Agency and Respondent D'Lante are in default in this matter and all allegations contained in Petitioner's Complaint are accepted as true as to these Respondents in all respects.
3. Respondents shall pay to the State of Michigan civil fines in this matter in the total amount of \$55,000.00, as follows:
 - a. Respondent Paris shall pay a fine of \$25,000.00, pursuant to Sections 1244(1)(a), 2038(1)(a), 2277(a), and 150(1)(a) of the Code, MCL 500.1244(1)(a), MCL 500.2038(1)(a), MCL 500.2277(a), and MCL 500.150(1)(a).
 - b. Respondent Agency shall pay a fine of \$15,000.00, pursuant to Sections 1244(1)(a), 2038(1)(a), 2277(a), and 150(1)(a) of the Code, MCL 500.1244(1)(a), MCL 500.2038(1)(a), MCL 500.2277(a), and MCL 500.150(1)(a).
 - c. Respondent D'Lante shall pay a fine of \$15,000.00, pursuant to Sections 1244(1)(a), 2038(1)(a), 2277(a), and 150(1)(a) of the Code, MCL 500.1244(1)(a), MCL 500.2038(1)(a), MCL 500.2277(a), and MCL 500.150(1)(a).

4. The civil fines provided for in Paragraph 3 must be paid within thirty (30) days of the date of this Final Decision.
5. Pursuant to Sections 150(1)(b), 1239(1)(c), 1239(1)(f), 1239(1)(g), 1239(2)(e), 1244(1)(d), and 2038(1)(b) of the Code, MCL 500.150(1)(b), MCL 500.1239(1)(c), MCL 500.1239(1)(f), MCL 500.1239(1)(g), MCL 1239(2)(e), MCL 500.1244(1)(d), and MCL 500.2038(1)(b), Respondent Paris' insurance producer license (System ID No. 0436952) is **REVOKED**.
6. Pursuant to Sections 150(1)(b), 1239(1)(c), 1239(1)(f), 1239(1)(g), 1239(2)(e), 1239(5), 1244(1)(d), and 2038(1)(b) of the Code, MCL 150(1)(b), MCL 500.1239(1)(c), MCL 500.1239(1)(f), MCL 500.1239(1)(g), MCL 1239(2)(e), MCL 500.1239(5), MCL 500.1244(1)(d), and MCL 500.2038(1)(b), Respondent Agency's insurance producer license (System ID No. 0094126) is **REVOKED**.
7. Pursuant to Sections 150(1)(b), 1239(1)(c), 1239(1)(f), 1239(1)(g), 1239(2)(e), 1244(1)(d), and 2038(1)(b) of the Code, MCL 500.150(1)(b), MCL 500.1239(1)(c), MCL 500.1239(1)(f), MCL 500.1239(1)(g), MCL 1239(2)(e), MCL 500.1244(1)(d), and MCL 500.2038(1)(b), Respondent D'Lante's insurance producer license (System ID No. 0761709) is **REVOKED**.
8. Respondents shall immediately **CEASE AND DESIST** from engaging in the business of insurance.



Anita G. Fox
Director

**STATE OF MICHIGAN
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES**

IN THE MATTER OF:

Docket No.: 23-020822

**Department of Insurance and Financial
Services,
Petitioner**

Case No.: 23-1087-L

**Agency: Department of
Insurance and
Financial Services**

v

**PDB Investments & Insurance Agency also
known as P. Boyce Insurance Agency, Inc.;
Paris Dozshon Boyce; and D'Lante Boyce,
Respondents**

Case Type: DIFS-Insurance

Filing Type: Appeal

**Issued and entered
this 4th day of October 2024
by: Lindsay Wilson
Administrative Law Judge**

PROPOSAL FOR DECISION

Procedural History

This proceeding is held under the authority of the Michigan Insurance Code, MCL 500.100 *et seq.* (Code), the Administrative Procedures Act, MCL 24.201 *et seq.* (APA), and the Michigan Office of Administrative Hearings and Rules (MOAHR) hearing rules, Mich Admin Code, R 792.10101 *et seq.* (MOAHR Rules).

On June 5, 2023, the Department of Insurance and Financial Services (Petitioner or 'DIFS') issued a Complaint alleging violations of the Code by PDB Investments & Insurance Agency, also known as P. Boyce Insurance Agency, Inc., Paris Boyce, and D'Lante Boyce¹.

On June 5, 2023, this matter was referred to the Michigan Office of Administrative Hearings and Rules (MOAHR) to schedule a contested case hearing.

On June 7, 2023, MOAHR issued a Notice of Hearing scheduling a telephone hearing for July 5, 2023.

¹ Collectively referred to as "Respondents"

On June 14, 2023, Attorney Elizabeth Husa, on behalf of Petitioner, filed a request to convert the July 5, 2023 hearing into a telephone prehearing conference.

On June 15, 2023, an Order Converting Hearing to Telephone Prehearing Conference was issued to the parties.

On June 29, 2023, MOAHR received correspondence from Respondents Paris Boyce and D'Lante Boyce, requesting, in part, that an order be issued to require Petitioner to hold an informal compliance conference. The correspondence further stated that, "until we have been given an actual Informal Compliance Conference hearing, we will not be participating in any administrative complaint proceedings."

On July 5, 2023, the telephone prehearing conference was held as scheduled. Attorneys Elizabeth Husa and Diego Avila appeared on behalf of Petitioner. Respondents Paris Boyce and D'Lante Boyce appeared at the outset of the prehearing; however, after making a brief statement that they stand by their earlier correspondence, Respondents Paris Boyce and D'Lante Boyce then disconnected from the telephone conference line. The telephone prehearing conference then proceeded in Respondents' absence pursuant to Mich Admin Code, R 792.10114(7).

On July 13, 2023, an Order Following Prehearing Conference, Order Scheduling Second Prehearing Conference, and Re-Notice of Hearing was issued to the parties. The order scheduled a second prehearing conference for September 13, 2023, and an in-person hearing for October 9, 2023 through October 13, 2023.

On July 25, 2023, Respondents Paris Boyce and D'Lante Boyce filed a Motion to Reconsider.

On July 28, 2023, Petitioner filed a Motion for Summary Disposition Due to Respondents' Default and Response to Respondent Paris Boyce and D'Lante Boyce's Motion to Reconsider.

On August 11, 2023, an Order Denying Respondents' Motion to Reconsider and Order Denying Petitioner's Motion for Summary Disposition was issued to the parties.

On August 14, 2023², Respondents Paris Boyce and D'Lante Boyce filed a Response to Petitioner's Motion for Summary Disposition.

On August 16, 2023, Petitioner filed a Motion to Adjourn In-Person Hearing and to Direct Parties to Confer Pursuant to Rule 792.10106(1)(j). In the motion, Petitioner's

² The response was dated and post-marked for August 10, 2023, but was not received until August 14, 2023.

representative requested an adjournment so that the parties could hold a compliance conference in preparation for the administrative hearing. On August 16, 2023, Petitioner also filed Petitioner's Reply to Respondents' Response to Motion for Summary Disposition.

On August 25, 2023, an Order Granting Motion to Adjourn, Order Directing Parties to Confer Pursuant to Rule 792.10106(1)(j), and Re-Notice of Hearing was issued to the parties. The order adjourned and rescheduled the in-person hearing for December 4, 2023 through December 8, 2023. The order also adjourned and rescheduled the second prehearing conference for October 19, 2023. The order further directed the parties to appear and confer for a conference on Thursday, September 21, 2023, from 10:00 a.m. until 4:00 p.m., or any other date and time mutually agreed upon by the parties.

On August 25, 2023, Petitioner scheduled the compliance conference to begin on September 21, 2023, at 10:00 a.m. via *Microsoft Teams*. On August 25, 2023, the meeting invitation, which included the video link as well as the call-in information, was sent to Respondents' addresses of record via first class mail.

On August 30, 2023³, MOAHR received a second Motion to Reconsider from Respondents Paris Boyce and D'Lante Boyce via mail.

On September 13, 2023, an Order Denying Respondents' August 30, 2023 Motion to Reconsider was issued to the parties.

On September 22, 2023, Petitioner submitted correspondence to MOAHR indicating that the compliance conference began as scheduled at 10:00 a.m. on September 21, 2023, and concluded at or near 10:19 a.m. Petitioner's correspondence submitted to MOAHR further stated that none of Respondents appeared for the informal compliance conference and that Petitioner did not receive any communication from Respondents related to the conference.

On October 2, 2023, MOAHR received notice from Respondents Paris Boyce and D'Lante Boyce indicating that they had filed an Application for Leave to Appeal and Brief in Support with the 6th Judicial Circuit Court in Oakland County on September 26, 2023.

On October 19, 2023, the second prehearing conference commenced as scheduled. Petitioner's counsel appeared; however, no one appeared on behalf of Respondents.

On October 20, 2023, an Order Following Second Prehearing Conference was issued to the parties. The order stated that absent a stay of the proceedings by the Circuit Court, the hearing would proceed as scheduled for the week of December 4, 2023 through

³ The Motion to Reconsider was dated and post-marked August 26, 2023.

December 8, 2023. The order also directed Respondent PDB Investments & Insurance Agency⁴ to obtain an attorney to represent the corporation and to file an appearance no later than 14 days prior to the hearing.

On November 3, 2023, Petitioner sent correspondence to MOAHR indicating that Respondents' Application for Leave to Appeal was denied by the Honorable Nanci J. Grant on October 25, 2023.

On November 15, 2023, Petitioner filed its proposed witness list, exhibit list, and exhibits.

On November 22, 2023, Petitioner's counsel filed a Motion to Allow Telephonic Testimony Pursuant to Mich Admin Code, Rule 792.10115.

On November 28, 2023, an Order Granting Motion to Allow Telephonic Testimony of Cheri Olfier was issued to the parties.

On November 28, 2023, Petitioner filed a Motion to Supplement Record with Proposed Exhibits 25 and 26.

On December 4, 2023, the in-person hearing commenced as scheduled, but did not conclude. At the outset of the hearing, Respondents Paris Boyce and D'Lante Boyce filed the following motions: i.) Motion to Request Written Closing Arguments; ii.) Motion to Not Admit DIFS Exhibits 25 and 26; and iii.) Motion to Exclude DIFS Name-Redacted Exhibits. Petitioner did not object to the Motion to Request Written Closing Arguments and the Motion was granted on the record. Respondents' Motion to Not Admit DIFS Exhibits 25 and 26 and Motion to Exclude DIFS Name-Redacted Exhibits were denied for the reasons stated on the record.

At the December 4, 2023 hearing, Respondent D'Lante Boyce exited the hearing room before the undersigned completed her opening and introductory statement to the parties describing how the hearing would proceed. Before exiting the hearing room, Respondent D'Lante Boyce provided to the undersigned Administrative Law Judge and Petitioner's counsel, an "Affidavit & Power of Attorney Letter". The Affidavit and Power of Attorney Letter stated as follows:

Affidavit

I am innocent of all these allegations and should be dismissed from this case. I never violated the Insurance Code as alleged in the Complaint. I was never appointed with any of the Insurance Carriers. I was never the

⁴ Hereinafter referred to as "Respondent PDB Investments".

Designated Responsible Licensed Producer (DRLP). I was never an Officer, Director nor Shareholder.

Any transactions in the DIFS' Exhibits that bear my name were directed to me to execute by the DRLP, Paris Boyce. Paris Boyce is responsible for all of the alleged violations in the Complaint. I will not be present for the remainder of this hearing. Send any future correspondence to the above PO Box. This is my sworn testimony.

Power of Attorney

I the undersigned, D'Lante Boyce, hereby grant, Paris Boyce, Power of Attorney in the matter of dealing with the DIFS v Paris Boyce & D'Lante Boyce hearing scheduled to start on December 4, 2023.

On December 4, 2023, Petitioner also moved for a default against Respondent PDB Investments as an attorney did not appear to represent the corporation. In response, Respondent Paris Boyce requested an adjournment of the hearing to allow for more time to obtain legal counsel to represent Respondent PDB Investments and in order to have time to review an unredacted copy of Petitioner's proposed exhibits. Petitioner voiced no objection to the request for an adjournment. As such, Respondent Paris Boyce's adjournment request was granted and the motion for default against Respondent PDB Investments was denied. Respondent Paris Boyce was informed that Respondent PDB Investments' failure to appear with an attorney at the next scheduled hearing would result in Respondent PDB Investments' default. Respondent Paris Boyce was also informed that as he is not an attorney, he cannot represent Respondent D'Lante Boyce. The undersigned stated on the record that Respondent D'Lante Boyce's failure to appear at the next hearing may also result in a default against Respondent D'Lante Boyce.

On December 6, 2023, Petitioner filed a Certificate of Mailing, stating that Petitioner's proposed exhibits 1 through 26 were mailed to Respondent Paris Boyce on December 5, 2023, with the unredacted names of the individuals holding the insurance policies.

On December 6, 2023, the undersigned issued an Order Granting Adjournment, Order Setting Deadlines, and Re-Notice of Hearing, which rescheduled the hearing for January 22, 2024 through January 26, 2024. The December 6, 2023 Order further stated that the "*failure of any named party to appear at the time set for hearing may result in a default, a decision against the party, or dismissal.*" [December 6, 2023 Order, p. 2].

On January 10, 2024, MOAHR received a Motion for Extension to Find an Attorney for Respondent PDB Investments from Respondents Paris Boyce and D'Lante Boyce.

On January 10, 2024, Petitioner filed a Response to Respondents' Paris Boyce and D'Lante Boyce's Motion for Extension to Find an Attorney for PDB.

On January 12, 2024, an Order Granting Adjournment of the January 22-26, 2024 Hearing, Order Setting Case Deadlines, and Re-Notice of Hearing, was issued to the parties. The order rescheduled the in-person hearing for April 8, 2024 through April 11, 2024. The order further directed Respondent PDB Investments to retain a licensed Michigan attorney to represent its interests in this matter by March 8, 2024. The Order indicated that Respondent PDB Investment's failure to appear with counsel would result in a default being entered against Respondent PDB Investments pursuant to Sections 72(1) and 78(2) of the APA and Mich Admin Code R 792.10134. The order further indicated that the "failure of any named party to appear at the time set for hearing may result in a default, a decision against the party, or dismissal." [January 12, 2024 Order, p. 3].

On March 1, 2024, Attorney Jamie McCarthy filed a Notice of Substitution of Attorney on behalf of Petitioner.

On March 11, 2024, MOAHR received a Motion for Reconsideration from Respondents Paris Boyce and D'Lante Boyce. The Motion stated that the Administrative Law Judge (ALJ) has no authority "to enter a default judgment against a corporation simply because the corporation is not represented by licensed counsel." Respondents Paris Boyce and D'Lante Boyce further requested an adjournment for an additional 90 days to find an attorney for Respondent PDB Investments.

On March 11, 2024, Petitioner filed a Response to Respondents' Paris Boyce and D'Lante Boyce's Motion for Reconsideration. Petitioner opposed the request for adjournment and requested that an Order for Default be issued against Respondent PDB Investments.

On March 12, 2024, an Order Denying in Part Respondents' Paris Boyce and D'Lante Boyce Motion for Reconsideration was issued to the parties. The order cited authority for this tribunal's authority to find a party in default as permitted under Sections 72 and 78 of the APA and pursuant to R 792.10134(1).⁵ The order further denied Respondents Paris Boyce and D'Lante Boyce's request for an adjournment but extended the deadline for Respondent PDB Investments to retain an attorney by no later than March 25, 2024.

⁵ Notwithstanding Mich Admin Code, R 792.10134(1), the undersigned Administrative Law Judge (ALJ) acknowledges that the Director of the Department of Insurance and Financial Services has the authority to enter a final order in this matter following the ALJ's Proposal for Decision and that any default ruling determined by the ALJ at the hearing is subject to review and adoption by the Department's Director.

On March 28, 2024, Respondents Paris Boyce and D'Lante Boyce filed a Motion for Clarification, which stated their disagreement and objection to the undersigned's March 12, 2024 Order. Respondents Paris Boyce and D'Lante Boyce also requested clarification of DIFS' complaint and asked that the hearing proceed in the absence of Respondent PDB Investments or that the hearing be adjourned for an additional 90 days to permit time to find counsel for Respondent PDB Investments.

On April 1, 2024, an Order on Respondents' Paris Boyce and D'Lante Boyce's Motion for Clarification and Order Denying Request for Adjournment was issued to the parties. The April 1, 2024 Order further stated the following with respect to Respondents D'Lante Boyce and PDB Investments:

Since Respondent PDB Investments, a corporation, can only be represented by an attorney, if an attorney fails to appear on behalf of Respondent PDB Investments at the scheduled hearing, that is considered a non-appearance by that party. A failure to appear, as indicated above, may result in the entry of a default order or other dispositive order. R 792.10134(1). The same conclusion must be reached with respect to Respondent D'Lante Boyce. If Respondent D'Lante Boyce fails to appear and participate in the scheduled hearing or fails to retain an attorney to appear on his behalf, that non-appearance may also result in a default order or other dispositive order being entered against Respondent D'Lante Boyce. As such, Respondents' Boyce's objections to the entry of default judgments against any party that fails to appear at the hearing scheduled for April 8, 2024 through April 11, 2024, is overruled.

On April 8, 2024, the in-person hearing commenced as scheduled. Petitioner was represented by Attorneys Diego Avila and Jamie McCarthy. Respondent Paris Boyce appeared and represented himself. On April 8, 2024, a licensed attorney did not appear on behalf of Respondent PDB Investments as required by Michigan law⁶.

Additionally, while Respondent D'Lante Boyce appeared at the outset of the hearing on April 8, 2024, he exited the hearing room after placing his appearance on the record. As Respondent D'Lante Boyce was exiting the hearing room, the undersigned informed Respondent D'Lante Boyce that if he exited the room he may be held in default. In spite of this instruction, Respondent D'Lante Boyce continued to exit the hearing room and did not return to participate in the contested case hearing. Before exiting the hearing, Respondent D'Lante Boyce provided correspondence to the undersigned ALJ entitled "Schedule Proceeding Participation Letter". The "Schedule Proceeding Participation

⁶ See *In re Contempt of Pavlos-Hackney*, 343 Mich. App. 642, 652-653, n. 2 (2022) (citing *Detroit Bar Ass'n v Union Guardian Trust Co*, 282 Mich. 707, 711-712, 281 N.W. 432 (1938); *Fraser Trebilcock Davis & Dunlap PC v Boyce Trust* 2350, 497 Mich. 265, 276-277, 870 N.W.2d 494 (2015)).

Letter” stated that D’Lante Boyce would “be appearing and participating at least at the beginning of the scheduled proceeding on 4/8/2024” and that he would “be participating in the written closing arguments.” The “Schedule Proceeding Participation Letter” further stated that, “[i]n accordance with R 792.10134(1), I object to any default order or other dispositive order in the case of my potential momentary absence.”

After the undersigned completed her introductory and opening statement, Attorney Avila moved for a default against Respondent PDB Investments as there was no appearance filed by a licensed attorney on behalf of Respondent PDB Investments. Additionally, Attorney Avila moved for a default against Respondent D’Lante Boyce in light of his appearance and subsequent departure. The statutory provisions and rules state as follows as it relates to defaults:

Sec. 72. (1) If a party fails to appear in a contested case after proper service of notice, the agency, if no adjournment is granted, *may proceed with the hearing and make its decision in the absence of the party.* MCL 24.272(1) (emphasis added.)

Sec. 78. (2) Except as otherwise provided by law, disposition may be made of a contested case by stipulation, agreed settlement, consent order, waiver, *default* or other method agreed upon by the parties. MCL 24.278(2) (emphasis added).

Rule 134. (1) If a party fails to attend or participate in a scheduled proceeding after a properly served notice, the administrative law judge may conduct the proceeding without participation of the absent party. If the party fails to participate in a proceeding, the administrative law judge *may issue a default order* or other dispositive order.

(2) Within 7 days after service of a default order, the party against whom it was entered may file a written motion requesting the order be vacated. If the party demonstrates good cause for failing to participate in a scheduled proceeding after a properly served notice or filing to comply with an order, the administrative law judge may reschedule, rehear, or otherwise reconsider the matter as required to serve the interests of justice and the orderly and prompt conduct of proceedings. Mich Admin Code, R 792.10134 (emphasis added).

Petitioner's motion for default against Respondent PDB Investments and Respondent D'Lante Boyce was granted⁷ pursuant to Section 72(1) and Section 78(2) of the APA and Rule 134, and is affirmed in this Proposal for Decision.⁸ Because of the default, the factual and legal allegations contained in the Complaint against Respondent PDB Investments and Respondent D'Lante Boyce dated June 5, 2023, are deemed true and proven.

Additional hearing days were held as scheduled on April 9, 2024 and April 10, 2024. Neither a licensed attorney for Respondent PDB Investments nor Respondent D'Lante Boyce appeared for the remaining hearing days held on April 9, 2024 or April 10, 2024.

At the outset of the hearing on April 9, 2024, Respondent Paris Boyce moved for a mistrial on the basis that Petitioner's witnesses were not sequestered on April 8, 2024. [Tr. Vol. II, p. 5]. The motion for mistrial was denied for the reasons stated on the record. [Tr. Vol. II, pp. 6-8]. Respondent Paris Boyce then made a motion for sequestration, which was granted.

Following the conclusion of proofs on April 10, 2024, the undersigned issued a Post-Hearing Scheduling Order, which held the record open until May 29, 2024, for the submission of the hearing transcript as well as written closing arguments.

On May 20, 2024, Respondents Paris Boyce and D'Lante Boyce filed a Motion for Extension, as they had not received a copy of the transcript.

On May 22, 2024, Petitioner filed a Concurrence and Response to Motion for Extension, indicating that a transcript had not yet been prepared due to a misunderstanding of the procedures. Petitioner requested an extension of the deadline for closing briefs of no less than 30 days.

On May 23, 2024, an Order Extending Deadline to File Written Closing Statements was issued to the parties, which extended the deadline for the parties to file their written closing statements to July 10, 2024.

On June 26, 2024, Respondents Paris Boyce and D'Lante Boyce filed a Motion for Another Extension, again stating they had not received the transcript.

⁷ Again, and as set forth in fn 5, the undersigned ALJ acknowledges that the Director of the Department of Insurance and Financial Services has the ultimate authority to adopt the Proposal for Decision, including the default ruling, and enter a final order of default.

⁸ Respondent Paris Boyce placed an objection on the record to the default entered against Respondent D'Lante Boyce. The undersigned granted the motion for default over Respondent Paris Boyce's objection, who is not a licensed attorney and thus cannot represent the other named parties.

On June 28, 2024, Petitioner filed an Objection to Respondents' Motion for Another Extension. Petitioner's objection states that the transcripts were served on Respondents' mailing addresses and that Respondents' have failed to retrieve the transcripts. Attached to their objection, Petitioner included USPS tracking information showing the transcripts were delivered and available for pickup.

On July 2, 2024, the undersigned issued an Order Granting Second Extension to File Written Closing Statements. The undersigned directed Respondents Paris Boyce and D'Lante Boyce to make arrangements to obtain the copies of the transcript sent to their mailing addresses and granted an extension for the parties to file their written closing statements by July 31, 2024.

On July 11, 2024, Respondents Paris Boyce and D'Lante Boyce filed a Motion for Yet Another Extension, stating they had still not received the transcripts. The Motion requested that Petitioner be ordered to send transcripts by regular first-class mail and requested another extension to the written closing statements deadline.

On July 18, 2024, the undersigned issued an Order Granting in Part and Denying in Part Respondents Paris Boyce and D'Lante Boyce's Motion for Extension. The order denied the request to have the transcripts re-sent by regular mail, but granted the request for an extension to August 9, 2024, for the parties to file their written closing statements. The order further indicated that MOAHR would email copies of the three-day transcript to Respondents' Paris Boyce and D'Lante Boyce email addresses of record.

On July 31, 2024, Petitioner timely filed a written Closing Argument.

On July 31, 2024, Respondents Paris Boyce and D'Lante Boyce filed a Motion for Emailed Transcript and Extension, again stating they had not received the emailed transcripts and requested that the transcripts be re-sent.⁹

On August 2, 2024, the undersigned issued an Order Granting Extension to file Written Closing Statements, which extended the deadline to file written closing statements to August 16, 2024.

On August 8, 2024, Respondents Paris Boyce and D'Lante Boyce filed a Motion for Missing Transcript & Extension. The Motion indicated that Respondents Paris Boyce and D'Lante Boyce were missing the transcript from the hearing day on December 4, 2023. As such, the Motion requested that Petitioner provide copies of the transcript for December 4, 2023, and requested an extension to the deadline to file written closing arguments.

⁹ On August 1, 2024, Respondent Paris Boyce confirmed receipt of the emailed transcripts.

On August 9, 2024, Petitioner filed a Response to Respondents' Motion for Missing Transcript & Extension. In their response, Petitioner objected to the request that Petitioner be required to pay for and provide a transcript of a recording for a day in which no evidence was presented pursuant to MCL 24.286(2).

On August 13, 2024, an Order Denying Respondents' Paris Boyce and D'Lante Boyce's Motion for Missing Transcript and Order Granting Final Extension for Written Closing Statements was issued to the parties. The order denied the request to have Petitioner obtain and pay for a copy of the transcript of the recording on December 4, 2023. The order granted an extension to file written closing statements and extended the deadline to August 23, 2024, in order to allow Respondents Paris Boyce and D'Lante Boyce additional time to submit a FOIA request for the December 4, 2023 recording.

On August 15, 2024, Respondents Paris Boyce and D'Lante Boyce filed a Motion to Get Recording for Transcripts and Extension. The Motion requests the recording for the December 4, 2023 recording and an extension to the deadline to file written closing statements.

On August 19, 2024, an Order on Motion to Get Recording for Transcripts and Extension was issued to the parties. The order explained how Respondents could request a copy of the December 4, 2023 recording through the FOIA process. The order further indicated that Respondents did not need to obtain a transcript of the recording but could instead cite to the time stamp of the December 4, 2023 recording in their written closing statements. Finally, the order extended the deadline to file written closing statements to August 30, 2024.

On August 28, 2024, Respondents Paris Boyce and D'Lante Boyce filed a Motion for 3 Week Extension to Get Hearing Recording. The Motion states that Respondents requested the December 4, 2023 recording on August 23, 2024, and that it may take up to 10 business days for them to receive the recording. As such, Respondents requested a three-week extension to the filing deadline for written closing statements.

On August 30, 2024, an Order Denying Motion for 3 Week Extension to Get Hearing Recording was issued to the parties. The undersigned's order indicated that good cause for an extension was not established because Respondents Paris Boyce and D'Lante Boyce's delayed in requesting the December 4, 2023 recording and noted that Respondents had already received the recording on August 26, 2024. The undersigned further noted that since closing statements are limited to evidence presented at the hearing and because there was no evidence introduced on December 4, 2023, the undersigned determined that Respondents had the necessary transcripts to rely upon for their written closing arguments. As such, the undersigned ordered that Respondents file their written closing arguments no later than August 30, 2024, by 11:59 p.m.

On August 30, 2024, Respondents Paris Boyce and D'Lante Boyce timely filed their Written Closing Arguments and the record was closed on August 30, 2024.

Summary of Evidence

The following individuals testified at the hearing on behalf of Petitioner:

1. Cheri Olfier, Analyst with the Michigan Department of State's (MDOS) Insurance Fraud Prevention Unit.
2. Bret Scott, Operations Manager at the Michigan Automobile Insurance Placement Facility (MAIPF).
3. Tracey Irwin, Senior Insurance Investigator for Petitioner.

Respondents PDB Investments and D'Lante Boyce were held in default. As such, no witnesses were called to testify on behalf of Respondent PDB Investments or Respondent D'Lante Boyce.

Although given the opportunity to testify¹⁰, Respondent Paris Boyce did not offer any sworn testimony on his own behalf, nor did he present any witnesses to testify on his behalf at the hearing.

Exhibits

The following exhibits were offered on behalf of Petitioner and admitted into the record unless otherwise indicated:

- | | |
|-----------------------|--|
| Petitioner Exhibit 1: | License History for Respondent PDB Investments. |
| Petitioner Exhibit 2: | License History for Respondent Paris Boyce. |
| Petitioner Exhibit 3: | License History for Respondent D'Lante Boyce. |
| Petitioner Exhibit 4: | DOI Referral Report, dated December 28, 2020; Letter from Farmers Insurance to Tracy Irwin regarding Respondent Paris Boyce, dated January 22, 2021. |
| Petitioner Exhibit 5: | Arrowhead/Everest Michigan Auto Insurance Application for D.B., effective November 7, 2016; United States Zip Codes printout for 48819; printout of USPS Zip Code Lookup for |

¹⁰ Tr. Vol. III, pp. 106-107, 110.

48219; Arrowhead/Everest Michigan Auto Insurance Application for J.M., effective May 24, 2017; United States Zip Codes printout for 48105; printout of USPS Zip Code Lookup for 48205; Arrowhead/Everest Michigan Auto Insurance Application for I.C., effective June 1, 2017; United States Zip Codes printout for 49201; printout of USPS Zip Code Lookup for 48201; Arrowhead/Everest Michigan Auto Insurance Application for D.W., effective July 6, 2017; United States Zip Codes printout for 49227; printout of USPS Zip Code Lookup for 48227; Arrowhead/Everest Michigan Auto Insurance Application for F.B., effective June 7, 2017; United States Zip Codes printout for 48821; printout of USPS Zip Code Lookup for 48221; Arrowhead/Everest Michigan Auto Insurance Application for C.D.-R., effective October 17, 2017; United States Zip Codes printout for 49235; printout of USPS Zip Code Lookup for 48235; Arrowhead/Everest Michigan Auto Insurance Application for C.H., effective October 23, 2017; United States Zip Codes printout for 48915; printout of USPS Zip Code Lookup for 48215; Arrowhead/Everest Michigan Auto Insurance Application for E.S., effective November 1, 2017; United States Zip Codes printout for 49201; printout of USPS Zip Code Lookup for 48201; Arrowhead/Everest Michigan Auto Insurance Application for J.R., effective August 10, 2017; United States Zip Codes printout for 49227; printout of USPS Zip Code Lookup for 48227.

Petitioner Exhibit 6:

Whole Life Protector Application for F.B., dated May 30, 2018; Electronic Fund Transfer (EFT) Authorization Form for F.B., dated May 30, 2018; Whole Life Protector Application for N.B., dated May 23, 2018; EFT Authorization Form for N.B., dated May 23, 2018; Whole Life Protector Application for M.C., dated May 22, 2018; EFT Authorization Form for M.C., dated May 22, 2018; Whole Life Protector Application for A.D., dated May 22, 2018; EFT Authorization Form for A.D., dated May 22, 2018; Whole Life Protector Application for C.G., dated May 22, 2018; EFT Authorization Form for C.G., dated May 22, 2018; Whole Life Protector Application for H.L., dated May 23, 2018; EFT Authorization Form for H.L., dated May 23, 2018; Whole Life Protector Application for X.M., dated May 22, 2018; EFT Authorization Form for X.M., dated May 22, 2018; Whole Life Protector Application

for R.M., dated May 22, 2018; EFT Authorization Form for R.M., dated May 22, 2018; Whole Life Protector Application for C.P., dated May 22, 2018; EFT Authorization Form for C.P., dated May 22, 2018; Whole Life Protector Application for L.T., dated May 23, 2018; EFT Authorization Form for L.T., dated May 23, 2018; Whole Life Protector Application for D.T., dated May 22, 2018; EFT Authorization Form for D.T., dated May 22, 2018.

- Petitioner Exhibit 7: Final Decision by Anita G. Fox, Director of DIFS, in the matter of *Paris D. Boyce v Michigan Automobile Insurance Placement Facility*, Case No. 20-1056-M, Docket No. 20-17631, dated July 16, 2021; Proposal for Decision by Administrative Law Judge Stephen B. Goldstein in the matter of *Paris D. Boyce v Michigan Automobile Insurance Placement Facility*, Case No. 20-1056-M, Docket No. 20-17631, dated May 19, 2021; Notification of Disqualification from MAIPF to Paris Boyce, dated January 6, 2020; Ruling by MAIPF Board or Its Designee from MAIPF to Paris Boyce, dated February 10, 2020.
- Petitioner Exhibit 8: MAIPF Violation Details for Respondents PDB Investments and Paris Boyce, for the period of October 1, 2018 through July 31, 2019.
- Petitioner Exhibit 9: Letter from Respondents to V.F. dated February 28, 2019; MAIPF Private Passenger Application for V.F., received on March 4, 2019; copy of V.F.'s Michigan Driver License, issued on March 13, 2018; Michigan Registration for V.F., to expire on March 14, 2019; UnitedHealthcare insurance card for V.F.; copy of a check from Respondent PDB Investments made out to MAIPF for V.F., dated February 27, 2019.
- Petitioner Exhibit 10: Email from Allison McCubbin, MAIPF Operations Supervisor, to Respondent Paris Boyce regarding MAIPF Temporary Certificate of Insurance, dated July 19, 2018; Certificate of No-Fault Insurance for A.H.; Certificate of No-Fault Insurance for A.J.; Certificate of No-Fault Insurance for D.W.; Certificate of No-Fault Insurance for N.T.; Certificate of No-Fault Insurance for S.M.

- Petitioner Exhibit 11: MAIPF Policy Change Request for K.B., effective March 20, 2019; MAIPF-01 form for Y.M.; MAIPF Policy Change Request for C.B. (Void), dated April 10, 2019; MAIPF-01 form (blank); MAIPF-01 form and ACORD 50 printed over top of the form for D.C. (Void).
- Petitioner Exhibit 12: Chart of the MAIPF Producer Applicant Volume Export for the period of June 1, 2018 through August 31, 2018.
- Petitioner Exhibit 13: Chart of the MAIPF Producer Applicant Volume Export for the period of October 1, 2018 through July 31, 2019.
- Petitioner Exhibit 14: Chart of MAIPF Policy Effective and Cancellation dates for applications submitted by Respondents PDB Investments and Paris Boyce.
- Petitioner Exhibit 15: Email from Richard Michael to Tracey Irwin regarding "MDOS Case #18-00850 PDB Investments", dated August 20, 2018; Investigations Report for Case # 18-00850, assigned on April 9, 2018.
- Petitioner Exhibit 16: Email from Cheri Olfier to Tammara Martinez regarding "Agent issuing fraud documents", dated April 6, 2018; MDOS Insurance Verification and Fraud Database for J.H., transaction date of February 12, 2018; Registration history for J.H.; Fax coversheet from Respondent PDB Investments to Michigan Secretary of State (SOS) for J.H., dated April 5, 2018; Application Confirmation/Payment Receipt from Arrowhead General Insurance Agency, Inc. for J.H., dated February 10, 2018; Certificate of No-Fault Insurance for J.H., inception date of February 10, 2018; License Plate Cancellation Notice from MDOS to J.H., dated March 23, 2018; MDOS Insurance Verification and Fraud Database for R.W., transaction date of February 12, 2018; Registration history for R.W.; Fax coversheet from Respondent PDB Investments to SOS for R.W., dated April 5, 2018; Application Confirmation/Payment Receipt from Arrowhead for R.W., dated February 12, 2018; Certificates of Insurance for R.W., inception date of February 12, 2018; Email correspondence between Benjamin Goerge and Phillip Fleming, dated July 17, 2018; Email correspondence between Benjamin Goerge and Allison McCubbin, dated July

17, 2018 and July 19, 2018; Certificates of No-Fault Insurance for A.W., effective July 2, 2018; Certificates of No-Fault Insurance for D.S., effective June 28, 2018; Certificates of No-Fault Insurance for D.S., effective June 8, 2019; Private Passenger Application for D.S., dated June 8, 2019; Policy Change Request for Michigan Automobile Insurance Placement Facility (MAIPF) for D.S, effective June 11, 2019; Policy Change Request for MAIPF for D.S, effective June 14, 2019; MAIPF-01 form Certificate of No-Fault Insurance (Void) for S.F., dated March 25, 2019; Certificate of No-Fault Insurance for S.F, effective March 25, 2019; Certificate of No-Fault Insurance for K.S., effective November 19, 2018.

Petitioner Exhibit 17: Email correspondence from Caterina Stevenson to Tracey Irwin regarding PDB Investments, dated August 15, 2018; Fax coversheet from Respondent PDB Investments to Michigan SOS for S.H., dated August 14, 2018; License Plate Cancellation Notice from MDOS to S.H, dated July 30, 2018; Letter from Respondent Paris Boyce regarding S.H. insurance policy, dated August 14, 2018; Certificate of No-Fault Insurance for R.H., effective July 9, 2018; Policy Request Change for R.H., dated July 9, 2018.

Petitioner Exhibit 18: Email correspondence from Caterina Stevenson to Tracey Irwin regarding PDB Investments, dated August 15, 2018 and August 16, 2018; License Plate Cancellation Notice from MDOS to D.H., dated July 30, 2018; Letter from Paris Boyce regarding D.H. policy, dated August 15, 2018, and fax result, dated August 15, 2018; Certificate of No-Fault Insurance for G.C., effective June 5, 2018; Email correspondence from Caterina Stevenson to Tracey Irwin regarding PDB Investments, dated September 24, 2018; Letter from Paris Boyce regarding T.B. policy, dated September 21, 2018; Policy Change Request for T.B., dated July 6, 2018; Certificate of No-Fault Insurance for T.B., effective July 6, 2018; Letter from Paris Boyce regarding C.P. policy, dated August 10, 2018; Certificate of No-Fault Insurance for R.H., effective May 17, 2018; Fax coversheet from PDB Investments to Michigan SOS for C.P., dated August 10, 2018; Email correspondence from Danielle Dolby to Tracey Irwin and Arrowhead, dated October 4, 2018; Letter from

Paris Boyce regarding S.H. policy, dated October 3, 2018; Policy Change Request for S.H., dated August 7, 2018; Certificate of No-Fault Insurance for S.H., effective August 7, 2018; Fax coversheet from PDB Investments to Michigan SOS for S.H., dated October 3, 2018.

Petitioner Exhibit 19: Email correspondence from Cheri Olfier to Kristie Taber, dated January 9, 2019; MDOS Insurance Verification and Fraud Database for T.C., transaction date of October 29, 2018; License Plate Cancellation Notice from MDOS to T.C., dated December 11, 2018; Letter from Paris Boyce regarding T.C. policy, dated January 3, 2019; Personal Auto Policy- Endorsement Declaration Page to T.C., effective September 14, 2018; Certificate of No-Fault Insurance for T.C, effective September 14, 2018; Letter dated January 7, 2019, on letterhead from Arrowhead, regarding T.C.; Certificate of No-Fault Insurance for T.C., effective September 14, 2018; License Plate Cancellation Notice from MDOS to T.C., dated December 11, 2018; Email correspondence between Colleen Miller and Cheri Olfier, dated January 9, 2019 and January 11, 2019; Letter from Colleen Miller (Arrowhead) regarding T.C., dated January 11, 2019; Advertisements for Community Short-Term Loans.

Petitioner Exhibit 20: Email correspondence from Hannah Perry to Kristie Taber and Tracey Irwin, dated March 20, 2019; Certificate of No-Fault Insurance, effective August 8, 2018, and photocopy of driver's license for S.A.; License Plate Cancellation Notice from MDOS to D.A., dated February 6, 2019; Fax coversheet from Respondent PDB Investments to Michigan SOS for S.A., dated March 18, 2019; Letter from Paris Boyce regarding D.A. policy, dated March 18, 2019; Certificate of No-Fault Insurance for S.A., effective August 8, 2018.

Petitioner Exhibit 21: Michigan Registration for S.S. and Y.S, dated January 5, 2019; Certificate of No-Fault Insurance for S.S., effective January 4, 2019; Michigan Registration for D.B.'s 2009 Pontiac, dated January 5, 2019; Certificate of No-Fault Insurance for D.B.'s 2009 Pontiac, effective January 4, 2019; Michigan Registration for D.B.'s 2010 Dodge, dated January 5, 2019; Certificate of No-Fault Insurance for D.B.'s 2010 Dodge, effective January 4, 2019; Certificate of No-Fault

Insurance for R.A., effective November 9, 2019; IFP Information regarding R.A.; Certificate of No-Fault Insurance for G.W.; IFP Information regarding G.W.; Certificate of No-Fault Insurance for D.R., effective October 28, 2021; IFP Information regarding D.R.; Certificate of No-Fault Insurance for R.W.; Certificate of No-Fault Insurance for C.C.; IFP Information regarding C.C.; Arrowhead Application Confirmation/Payment Receipt for E.S., dated November 10, 2021; IFP Information regarding E.S.; Certificates of No-Fault Insurance for E.S.; IFP Information regarding E.S.; Arrowhead Application Confirmation/Payment Receipt for J.B., dated August 12, 2023; Certificate of No-Fault Insurance for J.B.; IFP Information regarding J.B.; Arrowhead Application Confirmation/Payment Receipt for D.B., dated August 16, 2023; Certificate of No-Fault Insurance for D.B.; IFP Information regarding D.B.; Email correspondence between Benjamin Goerge and Phillip Fleming, dated July 17, 2018; Email correspondence between Benjamin Goerge and Allison McCubbin, dated July 17, 2018 and July 19, 2018; Certificate of No-Fault Insurance for A.W., effective July 2, 2018; Certificate of No-Fault Insurance for D.S., effective June 28, 2018; Certificate of No-Fault Insurance for D.S., effective June 8, 2019; Private Passenger Application for D.S., dated June 8, 2019; Policy Change Request for MAIPF regarding D.S, effective June 11, 2019; Policy Change Request for MAIPF for D.S, effective June 14, 2019; MAIPF-01 form Certificate of No-Fault Insurance (Void) for S.F., dated March 25, 2019; Certificate of No-Fault Insurance for S.F, effective March 25, 2019; Certificate of No-Fault Insurance for K.S., effective November 19, 2018.

Petitioner Exhibit 22: License Plate Cancellation Notice from MDOS to R.G., dated June 7, 2018; Letter from Paris Boyce regarding R.G. policy, dated July 3, 2018; Certificate of No-Fault Insurance for N.P., effective March 28, 2018; Fax coversheet from PDB Investments to Michigan SOS for N.P., dated July 3, 2018.

Petitioner Exhibit 23: Email correspondence between Kristie Taber and Tracey Irwin, dated November 8, 2018, and email correspondence between Cheri Olfier and Kristie Taber, dated November 8, 2018; Certificate of No-Fault Insurance and Michigan

Registration for N.T.; Certificate of No-Fault Insurance and Michigan Registration for N.B.; Certificate of No-Fault Insurance and Michigan Registration for B.S.; Certificate of No-Fault Insurance and Michigan Registration for J.H.; Certificate of No-Fault Insurance and Michigan Registration for C.W.; Application for W.B., dated July 26, 2018; Certificate of No-Fault Insurance for C.T., effective August 28, 2018; Certificate of No-Fault Insurance and Michigan Registration for M.W.; Certificate of No-Fault Insurance and Michigan Registration for Y.S.; Certificate of No-Fault Insurance and Michigan Registration for A.J.; Certificate of No-Fault Insurance and Michigan Registration for M.P.; Certificate of No-Fault Insurance and Michigan Registration for T.B.; Certificate of No-Fault Insurance and Michigan Registration for S.F.; Certificate of No-Fault Insurance and Michigan Registration for J.W.; Email correspondence from Cheri Olfier to Tracey Irwin, dated March 25, 2019; Certificate of No-Fault Insurance for S.F., effective March 25, 2019; MAIPF-01 form Certificate of No-Fault Insurance (Void) for S.F., dated March 25, 2019; Private Passenger Application for S.F., dated March 25, 2019; Policy Change Request for MAIPF for S.F., effective March 28, 2019; Policy Change Request for MAIPF for S.F., effective March 31, 2019.

- Petitioner Exhibit 24: MDOS Insurance Verification and Fraud Database for C.A., transaction date of March 22, 2018; Letter from Paris Boyce regarding C.A. policy, dated June 7, 2018; Certificate of No-Fault Insurance for C.A.; MDOS Insurance Verification and Fraud Database for N.R.M., transaction date of January 31, 2018; Letter from Paris Boyce regarding N.R.M. policy, dated June 6, 2018; Certificate of No-Fault Insurance for N.M., dated January 31, 2018.
- Petitioner Exhibit 25¹¹: Email Correspondence between Tracey Irwin and Mike Fioto, dated July 31, 2019 and August 2, 2019.
- Petitioner Exhibit 26: Policy Change Request Confirmations for D.B., dated March 15, 2018 at 6:55 AM PST, 7:32 AM PST, and 7:16 AM PST;

¹¹ Petitioner only offered Bates 0428 and 0429 of Petitioner's Exhibit 25. The remaining pages of Petitioner's Exhibit 25, Bates 0430 through 0455, were not offered and therefore these pages were not admitted into evidence.

Fax coversheet from Respondent PDB Investments and Respondent D'Lante Boyce, dated March 24, 2018; Policy Change Request Confirmations for J.M., dated March 8, 2018 at 8:41 AM PST, 9:04 AM PST, and 9:18 AM PST; Policy Change Request Confirmation, dated March 19, 2018 at 6:19 AM PST; Policy Change Request Confirmations for I.C., dated March 12, 2018 at 8:39 AM PST, 8:03 AM PST, and 8:18 AM PST; Policy Change Request Confirmation for I.C., dated March 21, 2018 at 6:31 AM PST; Policy Change Request Confirmations for D.W., dated March 15, 2018 at 8:07 AM PST, 8:56 AM PST, and 9:14 AM PST; Letter to Request to Remove Vehicles effective March 27, 2018; Policy Change Request Confirmations for F.B., dated March 14, 2018 at 7:36 AM PST, 7:07 AM PST, and 7:25 AM PST; Fax coversheet from Respondent PDB Investments and D'Lante Boyce, dated March 24, 2018; Policy Change Request Confirmation for C.D.R. dated January 16, 2018 at 8:14 AM PST, Policy Change Request Confirmations for C.D.R., dated January 17, 2018 at 1:44 PM PST; Policy Change Request Confirmations for C.H., dated February 22, 2018 at 8:26 AM PST, 8:53 AM PST, and 9:04 AM PST; Policy Change Request Confirmation for C.H., dated March 1, 2018 at 6:29 AM PST; Policy Change Request Confirmations for J.R., dated March 2, 2018 at 10:35 AM PST, 10:45 AM PST, and 10:19 AM PST; Policy Change Request Confirmation for J.R., dated March 11, 2018 at 12:01 AM PST.

Respondents PDB Investments and D'Lante Boyce were held in default and thus no exhibits were offered into evidence on their behalf.

Respondent Paris Boyce did not offer any exhibits into evidence.

Issues and Applicable Law

The issue in this matter is whether Respondents violated the Code, as alleged in Petitioner's June 5, 2023 Complaint.

MCL 500.1205 provides in relevant part:

* * *

(2) A business entity acting as an insurance producer shall obtain an insurance producer license. A business entity applying for an insurance producer license shall file with the director the uniform business entity application required by the director. The director shall not approve an application for an insurance producer license under this subsection unless the director finds all of the following:

* * *

(b) The business entity has designated an individual licensed producer responsible for the business entity's compliance with this state's insurance laws, rules, and regulations.

* * *

MCL 500.1207¹² provides in relevant part:

* * *

(2) An agent shall use reasonable accounting methods to record funds received in his or her fiduciary capacity including the receipt and distribution of all premiums due each of his or her insurers. An agent shall record return premiums received by or credited to him or her that are due an insured on policies reduced or canceled or that are due a prospective purchaser of insurance as a result of a rejected or declined application. Records required by this section must be open to examination by the director.

* * *

MCL 500.1247 provides in pertinent part:

(1) An insurance producer shall report to the commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state within 30 days after the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.

¹² MCL 500.1207 was amended as of May 5, 2024. The section cited above, however, was in effect at the time relevant to Petitioner's Complaint.

* * *

MCL 500.2003 provides:

- (1) A person shall not engage in a trade practice that is defined or described in this chapter or is determined under this chapter to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance.
- (2) Except as otherwise provided in this subsection, "person" means that term as defined in section 114 and includes an insurance producer, solicitor, counselor, adjuster, or nonprofit dental care corporation operating under 1963 PA 125, MCL 550.351 to 550.373. Person does not include the property and casualty guaranty association.

* * *

MCL 500.2005 provides in pertinent part:

An unfair method of competition and an unfair or deceptive act or practice in the business of insurance means the making, issuing, circulating, or causing to be made, issued, or circulated, an estimate, illustration, circular, statement, sales presentation, or comparison which by omission of a material fact or incorrect statement of a material fact does any of the following:

- (a) Misrepresents the terms, benefits, advantages, or conditions of an insurance policy.

* * *

MCL 500.2018 provides:

An unfair method of competition and an unfair or deceptive act or practice in the business of insurance include making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from an insurer, agent, broker, or individual.

* * *

MCL 500.2024 provides:

The following are defined as unfair methods of competition and unfair and deceptive acts or practices in the business of insurance:

Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of life insurance, life annuity or accident and health insurance, or agreement as to such contract other than as plainly expressed in the contract issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract; or giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance or annuity or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation, association, or partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the contract.

* * *

MCL 500.2066 provides in pertinent part:

- (1) No insurer, by itself or any other party, and no insurance agent or solicitor, personally or by any other party, transacting any kind of insurance business shall offer, promise, allow, give, set off or pay, directly or indirectly, any rebate of, or part of, the premium payable on the policy or on any policy, or agent's commission thereon, or earnings, profit, dividends or other benefit founded, arising, accruing or to accrue thereon, or therefrom, or any other valuable consideration or inducement to or for insurance, on any risk in this state now or hereafter to be written, which is not specified in the contract of insurance; nor shall any such insurer, agent or solicitor, personally or otherwise, offer, promise, give, sell, or purchase any stocks, bonds, securities or any dividend or profits accruing or to accrue thereon, or other thing of value whatsoever as inducement to insurance or in connection therewith which is not specified in the policy contract.

* * *

MCL 500.2271 provides in pertinent part:

A person shall not do any of the following:

- (a) Issue or deliver a certificate of insurance that purports to affirmatively or negatively alter, amend, or extend the coverage provided by an insurance policy referenced in the certificate of insurance.
- (b) Prepare or issue a certificate of insurance that contains any false or misleading information concerning an insurance policy referenced in the certificate of insurance.

* * *

MCL 500.4503 provides in pertinent part:

A fraudulent insurance act includes, but is not limited to, acts or omissions committed by any person who knowingly, and with an intent to injure, defraud, or deceive:

- (a) Presents, causes to be presented, or prepares with knowledge or belief that it will be presented to or by an insurer or any agent of an insurer, or any agent of an insurer, reinsurer, or broker any oral or written statement knowing that the statement contains any false information concerning any fact material to an application for the issuance of an insurance policy.
- (b) Prepares or assists, abets, solicits, or conspires with another to prepare or make an oral or written statement that is intended to be presented to or by any insurer in connection with, or in support of, any application for the issuance of an insurance policy, knowing that the statement contains any false information concerning any fact or thing material to the application.

* * *

- (g) Diverts, attempts to divert, or conspires to divert funds of an insurer or other persons in connection with any of the following:
 - (i) The transaction of insurance or reinsurance.
 - (ii) The conduct of business activities by an insurer.

* * *

MCL 500.150 provides in pertinent part:

(1) Any person who violates any provision of this act for which a specific penalty is not provided under any other provision of this act or of other laws applicable to the violation must be afforded an opportunity for a hearing before the director under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. If the director finds that a violation has occurred, the director shall reduce the findings and decision to writing and issue and cause to be served on the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the director may order any of the following:

(a) Payment of a civil fine of not more than \$1,000.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this act, the director may order the payment of a civil fine of not more than \$5,000.00 for each violation. With respect to filings made under chapters 21, 22, 23, 24, and 26, "violation" means a filing not in compliance with those chapters and does not include an action with respect to an individual policy based on a noncomplying filing. An order of the director under this subdivision must not require the payment of civil fines exceeding \$50,000.00. A fine collected under this subdivision must be turned over to the state treasurer and credited to the general fund.

(b) The suspension, limitation, or revocation of the person's license or certificate of authority.

* * *

MCL 500.1239 provides in relevant part:

(1) In addition to any other powers under this act, the director may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the director shall not issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

* * *

(c) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

* * *

(f) Having admitted or been found to have committed any insurance unfair trade practice or fraud.

(g) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

* * *

(2) In addition to any other powers under this act, the director may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the director may refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

* * *

(e) Violating any insurance laws or violating any regulation, subpoena, or order of the director or of another state's insurance commissioner.

* * *

(5) The license of a business entity may be suspended, revoked, or refused if the director finds, after hearing, that an individual licensee's violation was known or should have been known by 1 or more of the partners, officers, or managers acting on behalf of the partnership or corporation and the violation was not reported to the director and corrective action was not taken.

* * *

MCL 500.1244 provides in relevant part:

(1) If the director finds that a person has violated this chapter, after an opportunity for a hearing under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the director shall reduce the findings and decision to writing and shall issue and cause to be served on the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the director may order any of the following:

- (a) Payment of a civil fine of not more than \$1,000.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this chapter, the director may order the payment of a civil fine of not more than \$5,000.00 for each violation. An order of the director under this subsection must not require the payment of civil fines exceeding \$50,000.00. A fine collected under this subdivision must be turned over to the state treasurer and credited to the general fund of this state.
- (b) A refund of any overcharges.
- (c) That restitution be made to the insured or other claimant to cover incurred losses, damages, or other harm attributable to the acts of the person found to be in violation of this chapter.
- (d) The suspension or revocation of the person's license.

* * *

MCL 500.2038 provides in relevant part:

(1) If, after opportunity for a hearing held under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the director determines that the person complained of has engaged in methods of competition or unfair or deceptive acts or practices prohibited by sections 2001 to 2050, the director shall reduce his or her findings and decision to writing and shall issue and cause to be served on the person charged with the violation a copy of the findings and an order requiring the person to cease and desist

from engaging in that method of competition, act, or practice. The director may also order any of the following:

- (a) Payment of a monetary penalty of not more than \$1,000.00 for each violation but not to exceed an aggregate penalty of \$10,000.00, unless the person knew or reasonably should have known he was in violation of this chapter, in which case the penalty must not be more than \$5,000.00 for each violation and must not exceed an aggregate penalty of \$50,000.00 for all violations committed in a 6-month period.
- (b) Suspension or revocation of the person's license or certificate of authority if the person knowingly and persistently violated a provision of this chapter.
- (c) Refund of any overcharges.

* * *

MCL 500.2277 provides:

If the director finds that a person has violated this chapter, after an opportunity for a hearing under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the director shall reduce the findings and decision to writing and shall issue and cause to be served upon the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the director may order any of the following:

- (a) Payment of a civil fine of not more than \$500.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this chapter, the director may order the payment of a civil fine of not more than \$2,500.00 for each violation. An order of the director under this section shall not require the payment of civil fines exceeding \$25,000.00. A fine collected under this subdivision shall be turned over to the state treasurer and credited to the general fund of this state.
- (b) The director may apply to the circuit court of Ingham county for an order of the court enjoining a violation of this chapter.

* * *

MCL 500.3101a provides in relevant part:

* * *

- (5) A person who supplies false information to the secretary of state under this section or who issues or uses an altered, fraudulent, or counterfeit certificate of insurance is guilty of a misdemeanor punishable by imprisonment for not more than 1 year or a fine of not more than \$1,000.00, or both.

* * *

MCL 500.4511 provides:

- (1) A person who commits a fraudulent insurance act under section 4503 is guilty of a felony punishable by imprisonment for not more than 4 years or a fine of not more than \$50,000.00, or both, and shall be ordered to pay restitution as provided in section 1a of chapter IX of the code of criminal procedure, Act No. 175 of the Public Acts of 1927, being section 769.1a of the Michigan Compiled Laws, and in the crime victim's rights act, Act No. 87 of the Public Acts of 1985, being sections 780.751 to 780.834 of the Michigan Compiled Laws.
- (2) A person who enters into an agreement or conspiracy to commit a fraudulent insurance act under section 4503 is guilty of a felony, punishable by imprisonment for not more than 10 years or by a fine of not more than \$50,000.00, or both, and shall be ordered to pay restitution as provided in section 1a of chapter IX of the code of criminal procedure, Act No. 175 of the Public Acts of 1927, being section 769.1a of the Michigan Compiled Laws, and in the crime victim's rights act, Act No. 87 of the Public Acts of 1985, being sections 780.751 to 780.834 of the Michigan Compiled Laws.
- (3) If the court finds a practitioner or insurer responsible for or guilty of a fraudulent insurance act under section 4503, the court shall notify the appropriate licensing authority in this state of the adjudication.

Findings of Fact

Based upon the record in this matter, including the witness testimony, admitted exhibits, and the pleadings taken as accurate because of the default ruling against Respondent PDB Investments and Respondent D'Lante Boyce, the following findings of fact are established:

1. At all times relevant, Respondent Paris Boyce was licensed as a resident producer with qualifications in accident and health, casualty, life, property, and variable annuities. Respondent Paris Boyce has been licensed since April 18, 2007. [Pet. Exh. 2, Bates 0007; Tr. Vol. II, p. 124].
2. At all times relevant, Respondent PDB Investments was a licensed resident agency with qualifications in accident and health, casualty, life, property, and variable annuities. Respondent PDB Investments has been licensed since January 11, 2011. Respondent Paris Boyce is the Designated Responsible Licensed Producer (DRLP) and Owner of Respondent PDB Investments. [Pet. Exh. 1, Bates 0002; Pet. Exh. 2, Bates 0007; Tr. Vol. II, p. 118].
3. As the DRLP, Respondent Paris Boyce was the individual responsible for the day-to-day activities performed by the agency and for ensuring the agency and its employees are in compliance with the Code. [Tr. Vol. II, pp. 118, 151].
4. As an insurance producer, Respondent Paris Boyce was an agent for the insurance companies where he was appointed. [Pet. Exh. 2; Tr. Vol. II, p. 121; Tr. Vol. III, pp. 5-6].
5. A producer receives a commission from the insurance company for each insurance policy they write. [Tr. Vol. III, pp. 23-24].
6. At all times relevant, Respondent D'Lante Boyce was licensed as a resident producer with qualifications in casualty and property insurance. Respondent D'Lante Boyce has been licensed since April 6, 2016. Respondent D'Lante Boyce does not have any appointments with any insurance companies. [Pet. Exh. 3, Bates 0014; Tr. Vol. II, pp. 127-128].

Presenting Falsified Insurance Certificates to the Michigan Department of State

7. In August 2018, the Michigan Department of State (MDOS) Insurance Fraud Prevention Unit determined that MDOS would no longer accept written statements verifying insurance from Respondents. The decision was based upon an investigation performed by MDOS related to the discovery of the same

insurance policy number being used for two different vehicles owned by two different consumers, J.H. and R.W.¹³ These two consumers also had different addresses of record with the MDOS. The investigation revealed that on April 5, 2018, Respondents D'Lante Boyce and PDB Investments sent two faxes to MDOS within a few minutes of each other for J.H. and R.W., both of which contained a copy of the Application Confirmation/Payment Receipts and Certificates of No-Fault Insurance. Although the policy numbers were the same, the effective dates for the policy were two days apart, although both policies had the same effective time of 8:31 AM PST. The payment receipts also reflected the same down payment of \$239.00. When the MDOS contacted the insurance provider, MDOS learned that the policy numbers were not valid or assigned to either vehicle for J.H. or R.W. [Pet. Exh. 15, Bates 0247; Pet. Exh. 16, Bates 0255-0266; Tr. Vol. I, pp. 27-28, 30-31, 41-44, 93, 131-132, 163].

8. On August 20, 2018, Agent Richard Michael with the MDOS's Fraud Investigations Section sent an email to Tracey Irwin, Senior Investigator for Petitioner, and attached a copy of his Investigations Report related to the identical insurance policy numbers used by Respondents for J.H. and R.W. [Pet. Exh. 15; Tr. Vol. I, pp. 75-76; Tr. Vol. II, p. 162].

a. Consumer T.C.

9. On October 29, 2018, T.C. registered her vehicle with the MDOS. [Pet. Exh. 19, Bates 0317; Tr. Vol. I, p. 65].
10. After registration of a vehicle, MDOS will verify a consumers' insurance electronically. If they cannot verify the insurance electronically, the MDOS Insurance Fraud Prevention Unit will contact the insurance company to verify whether the insurance covered the vehicle on the date of registration. In the event MDOS cannot verify with the insurance company that the vehicle was insured on the date the consumer registered, MDOS sends a registration cancellation notice to the vehicle owner. [Tr. Vol. I, pp. 21-22, 25, 110-111].
11. MDOS was unable to verify that the insurance T.C. presented on the date of her registration was valid. [Pet. Exh. 19, Bates 0317, 0328].
12. On December 11, 2018, MDOS sent a License Plate Cancellation Notice (Cancellation Notice) to T.C. The Cancellation Notice instructed T.C. to "respond within 30 days with proof of Michigan No-Fault Liability insurance that indicates it was valid and in effect at the time of renewal or purchase of this plate." The Cancellation Notice went on to state that a "[f]ailure to respond within 30 days will

¹³ Initials are used throughout this PFD to protect the identity of the consumers.

result in the plate being cancelled and the forfeiture of all fees.” The Cancellation Notice further stated that T.C. “must provide a written statement on letterhead from your insurance agency or insurance company.” [Pet. Exh. 19, Bates 0328; Tr. Vol. I, pp. 66, 137-138].

13. On January 3, 2019, Respondent Paris Boyce faxed a written statement to MDOS indicating that T.C. “added a 2005 Pontiac G6 GT (VIN # 1G2ZH528754149851) with Michigan No-Fault Liability to her current policy effective 09/14/2018.” The fax also included documentation of an Endorsement Declaration Page and Certificates of No-Fault Insurance. [Pet. Exh. 19, Bates 0320-0324; Tr. Vol. I, p. 66].
14. On January 3, 2019, T.C. was notified that MDOS would not accept a written statement from Respondents and that she must submit a written statement from the insurance company, Everest National Insurance Company (Everest). [Pet. Exh. 19, Bates 0318].
15. On January 7, 2019, MDOS received a fax purporting to be from Everest/Arrowhead General Insurance Agency, Inc.¹⁴ The fax included a written statement that T.C. had “added a 2005 Pontiac G6 GT (VIN # 1G2ZH528754149851) with Michigan No-Fault Liability to her current policy effective 09/14/2018.” [Pet. Exh. 19, Bates 0320, 0325, 0329, 0331; Tr. Vol. I, pp. 67-68].
16. The January 7, 2019 written statement purporting to be from Everest/Arrowhead was not signed by a representative of the insurance company. The language used in the written statement was also identical to the statement on Respondent Paris Boyce’s fax sent to MDOS on behalf of T.C. on January 3, 2019. The fax was also received from 313-556-1996, which was not a fax number associated with Everest or Arrowhead. [Pet. Exh. 19, Bates 0320, 0325, 0328-0329, 0331; Tr. Vol. I, pp. 67-68, 72].
17. Cheri Olfier is an Analyst with the MDOS Insurance Fraud Prevention Unit. [Tr. Vol. I, p. 20].
18. On January 9, 2019, Ms. Olfier sent an email to Kristie Taber, an employee of DIFS, stating, in part, “[w]e do not accept any written statements from PDB Investments and Insurance Agency” and that MDOS would “only accept a written statement from the Insurance Company.” Ms. Olfier’s email further addressed the proof of insurance faxes received from T.C., which stated as follows:

¹⁴ Arrowhead General Insurance Agency, Inc. (Arrowhead) is associated with Everest.

After repeatedly telling a customer we must have a written statement from the company, we received a false written statement from a Detroit fax # made to look like it came from Everest National. It's almost formatted the same as PDB's written statement. When searching the fax # it came back to a company named Community Short-Term Loans. I could not find a website for the company but did find a Facebook page of theirs. When looking at their advertisements I find PDB listed on their flyers, and one of the names listed on that is PDB agent Paris Boyce with the same # listed on the DIFS website.

[Pet. Exh. 19, Bates 0316; Tr. Vol. I, pp. 64-65, 89-90, 125].

19. Community Short-Term Loans is a company that maintained a license with Petitioner and is owned by Respondent Paris Boyce. [Tr. Vol. III, pp. 31, 33-34].
20. On January 9, 2019, Ms. Olfier sent an email to Everest/Arrowhead, asking that they review the January 7, 2019 written statement faxed on behalf of T.C. Ms. Olfier's email indicated that MDOS believed the statement to be fraudulent. [Pet. Exh. 19, Bates 0329; Tr. Vol. I, pp. 131-132, 135-136].
21. On January 11, 2019, Colleen Miller, Underwriting Manager with Everest/Arrowhead, replied to Ms. Olfier via email. Attached to Ms. Miller's email was a letter dated January 11, 2019, which stated, "[o]n 5/16/2018 we received a request to remove the 2005 Pontiac, VIN 1G2ZH528754149851 from the policy. On 11/16/2018 we received a request to add the 2005 Pontiac, VIN 1G2ZH528754149851 back to the policy. We never received a request to add this vehicle on 9/14/2018." Ms. Miller further stated that the letter attached to Ms. Olfier's email "was not issued by our office, nor did we give permission for anyone else to issue on our behalf." [Pet. Exh. 19, Bates 0329-0330].
22. On July 31, 2019, DIFS Senior Investigator Tracey Irwin (Investigator Irwin) sent an email to Mike Fioto, Director of the Law Department at Everest. Investigator Irwin attached a copy of the written statement purporting to be issued by Everest/Arrowhead on behalf of T.C. dated January 7, 2019. Investigator Irwin also asked Mr. Fioto to confirm whether this letter was prepared by Everest. [Pet. Exh. 19, Bates 0325; Pet. Exh. 25, Bates 0428; Tr. Vol. III, pp. 27-28, 30, 64-65].
23. On August 2, 2019, Mr. Fioto replied via email stating, in part, "[t]he form you submitted to us for review is not an Everest or Arrowhead General Insurance Agency form. Upon review, we do show the 2005 Pontiac was removed from the policy (per insureds request) effective May 16, 2018." [Pet. Exh. 25, Bates 0428].

24. The information received from Everest regarding T.C.'s removal of the vehicle's coverage on May 16, 2018, contradicted the information received from Respondents that showed her policy effective date was September 14, 2018. As such, Investigator Irwin concluded that Respondents had produced false and/or fraudulent documentation to MDOS. [Pet. Exh. 19, Bates 0320, 0325, 0329-0330; Pet. Exh. 25, Bates 0428; Tr. Vol. III, pp. 28-29].

b. Consumer S.A.

25. On December 18, 2018, S.A. registered a 2017 Cadillac ATS (VIN # 1G6AG5RX3H0189576) with the MDOS. [Pet. Exh. 19, Bates 0336].

26. When registering the vehicle, S.A. presented a Certificate of No-Fault Insurance for the 2017 Cadillac ATS from Everest for a policy effective date of August 8, 2018 through February 8, 2019. [Pet. Exh. 20, Bates 0335; Tr. Vol. I, pp. 73-74].

27. MDOS was unable to verify that the insurance presented by S.A. on the date of registration was valid. [Pet. Exh. 20, Bates 0336].

28. On February 6, 2019, MDOS sent a Cancellation Notice to D.A.¹⁵, which instructed D.A. to "respond within 30 days with proof of Michigan No-Fault Liability insurance that indicates it was valid and in effect at the time of renewal or purchase of this plate." The Cancellation Notice went on to state that a "[f]ailure to respond within 30 days will result in the plate being cancelled and the forfeiture of all fees." The Cancellation Notice further stated that D.A. "must provide a written statement on letterhead from your insurance agency or insurance company." [Pet. Exh. 20, Bates 0336; Tr. Vol. I, pp. 66, 137-138].

29. On March 18, 2019, Respondent D'Lante Boyce sent a fax to MDOS regarding S.A.'s proof of insurance. The fax included a written statement signed by Respondent Paris Boyce, which stated that D.A. "started an auto insurance policy for a 2017 Cadillac ATS (VIN#:1G6AG5RX3H0189576) with Michigan No-Fault Liability effective 08/08/2018-02/08/2018." The fax also included Certificates of No-Fault Insurance in S.A.'s name. [Pet. Exh. 20, Bates 0337-0338].

30. On March 20, 2019, Hannah Perry with the MDOS Insurance Fraud Prevention Unit notified Petitioner that Everest had informed them that the policy for S.A. had "cancelled on 8/8/2018 which is the effective date on insurance certificate."

¹⁵ D.A. has the same last name as S.A. and resides at the same address as S.A. [Pet. Exh. 20, Bates 0335-0336].

Ms. Perry's email also attached the documentation that MDOS received from S.A. at the Secretary of State branch office along with the fax and written statement received from Respondents. [Pet. Exh. 20, Bates 0334].

31. The information received from Everest regarding S.A.'s insurance policy having been canceled on August 8, 2018, contradicted the Certificate of No-Fault Insurance provided to MDOS from Respondents stating that the policy was effective August 8, 2018. [Pet. Exh. 20, Bates 0334, 0337].

Adding Vehicles of Unrelated Individuals to Everest Insurance Policies

32. During their investigation, Investigator Irwin also learned of fraudulent representations on Policy Change Requests sent to Everest from Respondent Paris Boyce. The Policy Change Requests were to add drivers and/or vehicles to policies that were subsequently removed a few days later. The relationship identified between each of the policy holders and the added drivers was "friend". The addresses on file with MDOS as to the owners of the vehicles did not match the addresses of the policy holders. On the below referenced policies, Respondent Paris Boyce submitted the Policy Change Requests to add the drivers or vehicles on behalf of the producer, Respondent PDB Investments¹⁶:

Policy	Name of Policy Holder	Change Request Date	Item to Change	Driver Name	Vehicle Info	Driver/Vehicle Removal Date
7800321985	D.B.	3/15/18	Add vehicle/driver	R.T.D.	2004 Chevy Monte Carlo	3/24/18
7800321985	D.B.	3/15/18	Add vehicle/driver	C.S.	2007 Ford Fusion	3/24/18
7800321985	D.B.	3/15/18	Add vehicle/driver	R.H.	2000 Nissan Altima	3/24/18
7800364777	J.M.	3/8/18	Add vehicle/driver	K.W.	2013 Dodge Dart	3/19/18
7800364777	J.M.	3/8/18	Add vehicle/driver	D.S.	2006 Pontiac Grand Prix	3/19/18

¹⁶ Pet. Exh. 26; Tr. Vol. III, pp. 38, 43-47, 50-52, 56-58.

7800364777	J.M.	3/8/18	Add vehicle/driver	T.C.	2007 Saturn Aura	3/19/18
7800366435	I.C.	3/12/18	Add vehicle/driver	J.S.	2010 Chevy Traverse	3/21/18
7800366435	I.C.	3/12/18	Add vehicle/driver	D.T.	2017 Dodge Journey	3/21/18
7800366435	I.C.	3/12/18	Add vehicle/driver	C.R.	2005 Dodge Neon	3/21/18
7800374119	D.W.	3/16/18	Add vehicle/driver	L.A.	2013 Nissan Versa	3/27/18
7800374119	D.W.	3/16/18	Add vehicle/driver	C.J.	2003 Ford Taurus	3/27/18
7800374119	D.W.	3/16/18	Add vehicle/driver	V.A.	2016 Kia Forte	3/27/18
7800367932	F.B.	3/14/18	Add vehicle/driver	D.A.	2001 Ford Taurus	3/24/18
7800367932	F.B.	3/14/18	Add vehicle/driver	E.M.	2006 Cadillac DTS	3/24/18
7800367932	F.B.	3/14/18	Add vehicle/driver	E.P.	2006 Pontiac G6	3/24/18
7800396109	C.D.R.	1/16/18	Add vehicle/driver	T.W.	2016 Chevy Equinox	1/17/18
7800397273	C.H.	2/22/18	Add vehicle/driver	D.L.	212 Chevy Cruze	3/1/18
7800397273	C.H.	2/22/18	Add vehicle/driver	D.F.	2007 Saturn Outlook	3/1/18
7800397273	C.H.	2/22/18	Add vehicle/driver	D.B.	2008 Dodge Avenger	3/1/18
7800381454	J.R.	3/2/18	Add vehicle/driver	D.G.	2003 Pontiac Bonneville	3/11/18
7800381454	J.R.	3/2/18	Add vehicle/driver	M.J.	2005 Chevrolet Malibu	3/11/18

7800381454	J.R.	3/2/18	Add vehicle/driver	C.M.	2002 Chevrolet Tahoe	3/11/18
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33. A policy holder cannot compel an insurance company to add any driver or vehicle without demonstrating that they have an insurable interest in that vehicle. [Tr. Vol. III, pp. 39, 42-43].

34. Respondents Paris Boyce and PDB Investments added these drivers and/or vehicles to the above listed pre-existing Everest policies without verifying whether the policy holders had an insurable interest in these drivers and/or vehicles. [Tr. Vol. III, pp. 39, 42-43, 100-101].

Respondent Paris Boyce’s MAIPF Disqualification

35. The Michigan Automotive Insurance Placement Facility (MAIPF) is a placement facility that places consumers with insurance companies. In 2018, MAIPF was placing consumers with State Farm, Auto-Owners, or Auto Club (AAA). The MAIPF ensures placement with an insurance company when that individual is unable to get coverage through the voluntary markets due to issues such as driving history, whether they previously had insurance, or a company’s underwriting eligibility rules. [Tr. Vol. I, pp. 47-48; Tr. Vol. II, pp. 11, 13].

36. Respondent Paris Boyce was registered as a producer to write insurance through MAIPF. [Tr. Vol. II, p. 23].

37. MAIPF provides producers with blank MAIPF-01 Certificates of Insurance, which are valid as proof of insurance for 60 days. The MAIPF-01 Certificate of Insurance form consists of a multi-level carbon copy. The MAIPF-01 Certificate of Insurance form also contains a watermark that appears when the document is photocopied, scanned, or faxed. The appearance of the watermark is to prevent producers from creating additional forms. As such, producers are instructed to deliver a physical carbon copy of the MAIPF-01 Certificate of Insurance directly to the customer for purposes of proving insurance when registering their vehicles at the Secretary of State branch office. [Tr. Vol. II, pp. 18-19, 48, 50-51].

38. When writing insurance for consumers through MAIPF, Respondents Paris Boyce and PDB Investments were not providing consumers with a carbon copy of the MAIPF-01 Certificate of Insurance. Rather, they were faxing State of Michigan Certificate of No-Fault Insurance (known as the ACORD 50) to the Secretary of State’s office for proof of insurance. The ACORD 50’s submitted by Respondents Paris Boyce and PDB Investments falsely listed the MAIPF as the

insurance company, rather than listing the insurance company that the consumer was actually placed with through the MAIPF. [Pet. Exh. 16, Bates 0271-0273; Pet. Exh. 21, Bates 0372-0374; Tr. Vol. I, pp. 49-51, 154-155; Tr. Vol. II, p. 66].

39. On July 19, 2018, Allison McCubbin, MAIPF Operations Supervisor, sent an email to Respondent Paris Boyce, informing him that the Secretary of State “has been instructed to only accept the MAIPF-01 as proof of insurance through the facility. If they see any other document being used, they will flag it as fraud. For all future applications, please be sure to use the MAIPF-01 Certificate of Insurance as temporary proof. If we are advised of any other documents being used, you will receive a serious or flagrant violation and could potentially be disqualified from writing business with MAIPF.” [Pet. Exh. 10, Bates 0197].
40. The instruction from Ms. McCubbin to only use the MAIPF-01 form is based on the MAIPF’s Producer Violations Guide and is accessible through the MAIPF website. [Tr. Vol. II, p. 47].
41. Despite the instruction from Ms. McCubbin, Respondents Paris Boyce and PDB Investments continued to issue ACORD 50 forms listing MAIPF as the insurance company, rather than using the approved MAIPF-01 Certificate of Insurance. [Pet. Exh. 10, Bates 0198-0202].
42. On August 16, 2018, the MAIPF issued a Notice of Disqualification to Respondent Paris Boyce due to continuing violations of MAIPF’s rules and policies, which included the submission of “certificates of insurance that were not the approved Facility certificates of insurance (MAIPF-01)” and the submission of “39 applications in which zip codes used for premium rating purposes were incorrect by 1 digit, resulting in significantly lower premium rates associated with the application.” [Pet. Exh. 7, Bates 0170-0171; Tr. Vol. II, p. 24].
43. On October 9, 2018, the MAIPF reversed the disqualification and reinstated Respondent Paris Boyce as a producer. Following his reinstatement, MAIPF continued to monitor Respondent Paris Boyce and found 110 infractions of MAIPF’s rules from October 9, 2018, through July 11, 2019. [Pet. Exh. 7, Bates 0172; Tr. Vol. II, p. 61].
44. On January 6, 2020, the MAIPF issued a second Notice of Disqualification to Respondent Paris Boyce pursuant to MCL 500.3355(2). The letter notified Respondent Paris Boyce that he was being disqualified from placing business through MAIPF based on the following:

- From 10/9/2018 through 7/11/2019; an accumulation of 70 violations and 40 deficiencies, as defined in the MAIPF Producer Violations Guide.
- A minimum of 44 instances of invalid certificates of insurance provided to the Michigan Secretary of State.
- A letter on PDB Investments & Insurance Agency letterhead, addressed to a MAIPF applicant and dated around the same date of the application to MAIPF, indicating the applicant had been provided with a 7-Day policy.

[Pet. Exh. 7, Bates 0179-0180; Pet. Exh. 8; Tr. Vol. II, p. 44].

45. Respondent Paris Boyce appealed the January 6, 2020 Notice of Disqualification. Following a hearing before the designee of the MAIPF Board of Governors, the disqualification of Respondent Paris Boyce was upheld. Respondent Paris Boyce was notified of the ruling via letter dated February 10, 2020. [Pet. Exh. 7, Bates 0181-0182].

46. Respondent Paris Boyce appealed the disqualification and an administrative hearing was held before ALJ Stephen B. Goldstein on January 12, 2021. On May 19, 2021, ALJ Goldstein issued a Proposal for Decision, proposing that the Department's Director or Director's designee issue a Final Order affirming the Notice of Disqualification. [Pet. Exh. 7, Bates 0164-0178].

47. On July 16, 2021, the Director of DIFS issued a Final Decision and Order. The Director adopted the Findings of Fact and Conclusions of Law in the May 19, 2021 Proposal for Decision as follows:

1. MAIPF presented extensive and credible evidence that [Paris Boyce] was engaged in conduct that persistently violated the MAIPF's Plan of Operations and internal policies.
2. [Paris Boyce] acknowledged he violated the MAIPF's Plan of Operations and guidelines.
3. [Paris Boyce] produced no documented evidence refuting the MAIPF's specific allegations and/or refuting why those allegations support disqualification.

4. A preponderance of the evidence presented clearly demonstrates that, following his 2018 reinstatement as a MAIPF producer, [Paris Boyce] continued to violate the MAIPF's Plan of Operations and guidelines.
5. MAIPF's Notice of Disqualification pertaining to [Paris Boyce] is warranted and should be affirmed.

[Pet. Exh. 7, Bates 0160-0163].

Respondents' Payment of Premiums, Failure to Maintain Records, Unauthorized Receipt of Funds, and Misrepresenting Terms of Policy

48. On February 27, 2019, Respondent Paris Boyce signed and submitted a Private Passenger Application for insurance through the MAIPF on behalf of Consumer V.F. A check from Respondent PDB Investments' bank account was also included for the \$608.00 deposit on V.F.'s application. [Pet. Exh. 9, Bates 0189-0191, 0195; Tr. Vol. II, pp. 39, 41-42].
49. On February 28, 2019, a letter was sent to V.F. from Respondents on Respondent PDB Investment's letterhead. The letter is signed by D'Lante Boyce and lists other signatories, including Respondent Paris Boyce. The letter stated in pertinent part as follows:

As a reminder: Because our Agency paid the full 40% Down on your 7-Day policy, the Agency's Refund Check is set up to be mailed to the Agency's P.O. Box. But if it is mistakenly mailed to your home address, GET THE REFUND CHECK TO OUR AGENCY AS SOON AS POSSIBLE OR YOUR LICENSE PLATE WILL CANCEL!!

Also, the 7-Day Auto Insurance policy is meant for:

- Getting New License Plates & Registration from the Secretary of State
- Renewing License Plate Tags & Registration with the Secretary of State
- Getting a Vehicle off of the Dealership/Auction Lot
- Getting a Vehicle out of the Impound
- Providing Proof of Insurance for the Courts or Law Enforcement
- Buying or Transferring Ownership of a Vehicle

IT IS NOT MEANT FOR FILING CLAIMS!!

[Pet. Exh. 9, Bates 0188].

50. Neither an insurance producer nor an agency is permitted to pay a deposit on a premium on behalf of a customer without first receiving the amount to be paid from the customer. [Tr. Vol. II, p. 74].
51. Since the amount of the deposit should have been received from V.F., any refunds for the cancellation of the policy should have been returned to V.F. and not Respondent PDB Investments as indicated in the February 28, 2019 letter. [Pet. Exh. 9, Bates 0188; Tr. Vol. II, pp. 32, 42, 74-75; Tr. Vol. III, p. 14].
52. Respondents were unable to provide Petitioner with a receipt to show that V.F. had provided Respondents with the deposit payment or a receipt to show that V.F. was issued any refunds. When Investigator Irwin interviewed Respondent Paris Boyce as part of her investigation, Paris Boyce stated he did not issue receipts to customers because he wanted to save paper and that he instead used the application as proof of payment. [Tr. Vol. III, pp. 26-27].
53. The February 28, 2019 letter sent to V.F. from Respondents also contained false information as the MAIPF does not place customers with insurers who issue seven-day policies. The only term available through the MAIPF is a six-month policy term. The MAIPF also does not have any rules that limit the use of the policy as outlined in the February 28, 2019 letter. [Pet. Exh. 9, Bates 0188; Tr. Vol. II, pp. 25-26, 35, 40].
54. On June 8, 2019, Respondent PDB Investments faxed a Private Passenger Application for D.S. that lists Respondent PDB Investments as the producer. The Private Passenger Application is not signed by either the producer or the insured. In addition to the faxed Private Passenger Application, Respondent PDB Investments faxed a pre-dated Policy Change Request to change D.S.'s address to Respondent PDB Investment's mailing address of P.O. Box 760222, Lathrup Village, MI 48076, effective June 11, 2019. Respondent PDB Investments also faxed a Policy Change Request to cancel D.S.'s policy effective June 14, 2019. Both Policy Change Requests were signed by Respondent Paris Boyce but were not signed by D.S. [Pet. Exh. 16, Bates 0275-0281; Tr. Vol. I, pp. 51-52; Tr. Vol. II, pp. 67, 117].
55. Based on the actions of PDB Investments as described in paragraph 54 above, the process of submitting an application, a change of address to the agency's mailing address, and a cancellation notice would result in the cancellation refund being sent to the agency rather than to the insured. [Tr. Vol. II, p. 73].

Use of Incorrect Zip Codes with Farmers Insurance Group and Everest National Insurance Company

56. On December 28, 2020, Farmers Insurance Group (Farmers) issued a DOI Referral Report (Farmers Report) regarding a fraud investigation pertaining to Respondent Paris Boyce. The Farmers Report summarized the investigation as follows, in pertinent part:

Suspect Paris Boyce is responsible for misrating insurance policies in order to provide customers reduced premiums totaling an estimated \$110,984 between May 19, 2020, and August 25, 2020. Suspect Boyce misrated at least 33 Bristol West Auto policies by misrepresenting the insureds' garaging address. One of the 33 policies listed Suspect Boyce as a driver in the household, with a garaging location approximately 181 miles from the actual residence address. As a licensed and appointed agent, Suspect Boyce was authorized to submit accurate and complete policy information to Farmers Insurance and to bind coverage on their behalf for legitimate risks. As a result of the investigation, Suspect Boyce's Agent Appointment Agreement was terminated for fraud effective December 18, 2020.

[Pet. Exh. 4, Bates 0016-0018; Tr. Vol. II, pp. 129-134].

57. The Farmers Report found that the changed zip codes for the garaging addresses "resulted in the policy being rated in a lower rated territory." The Farmers Report also provided a list of the 33 misrated policies and attached "supporting documents for four of the policies." The Farmers Report further stated that "[u]pon request, support for the other 29 policies can be provided." [Pet. Exh. 4, Bates 0018-0028].

58. When an insurance carrier terminates an appointment, they are obligated to notify Petitioner. As a result, Farmers sent a copy of the December 28, 2020 Farmers Report to Investigator Irwin. In response, Investigator Irwin requested additional supporting documentation for the other 29 customers referenced in the Farmers' Report. [Pet. Exh. 4, Bates 0029; Tr. Vol. II, pp. 111, 114, 145].

59. On January 22, 2021, Robin Conner, Investigator for Farmers, sent a letter providing the associated documentation for the remaining 29 misrated policies. [Pet. Exh. 4, Bates 0029-0071; Tr. Vol. II, p. 145].

60. The 33 Farmers policies that were misrated due to the altering of the garaging locations were as follows¹⁷:

Policy No.	Original Effective Date	Insured Name	Incorrect Zip Code Provided by Respondent Paris Boyce	Premium Owed with Incorrect Zip Code	Correct Zip Code	Premium Owed with Correct Zip Code
G01-0322316	06/24/20	T.R.	49239 (Frontier)	\$2,770.58	48239 (Redford Twp.)	\$3,646.80
G01-0254505	05/20/20	L.B.	48835 (Fowler)	\$928.29	48235 (Detroit)	\$3,311.09
G01-0333316	06/30/20	M.M.	48105 (Ann Arbor)	\$2,300.58	48205 (Detroit)	\$7,944.33
G01-0253669	05/19/20	C.B.	48834 (Fenwick)	\$1,818.58	48234 (Detroit)	\$4,856.84
G01-0256412	05/21/20	S.B.	48838 (Greenville)	\$2,263.29	48238 (Detroit)	\$8,198.71
G01-0253797	05/19/20	D.P.	49235 (Clayton)	\$3,751.87	48235 (Detroit)	\$11,606.49
G01-0290950	06/09/20	V.B.	48835 (Clinton Co.)	\$650.29	48235 (Detroit)	\$2,148.23
G01-0310555	06/25/20	T.E.	48834 (Fenwick)	\$837.58	48034 (Southfield)	\$1,456.76
G01-0416956	08/12/20	S.D.	48612 (Beaverton)	\$589.58	48212 (Hamtramck)	\$2,045.36
G01-0399327	08/04/20	C.W.	48819 (Dansville)	\$1,939.58	48219 (Detroit)	\$6,323.40
G01-0369329	07/07/20	P.K.	48819 (Dansville)	\$808.29	48219 (Detroit)	\$2,526.92
G01-0402896	08/05/20	G.P.	48739 (Hale)	\$1,882.29	48239 (Redford Twp.)	\$4,299.10
G01-0415312	08/12/20	B.H.	49224 (Albion)	\$479.29	48224 (Detroit)	\$1,551.42
G01-0417468	08/13/20	A.N.	48827 (Eaton Rapids)	\$701.29	48227 (Detroit)	\$3,936.43

¹⁷ Pet. Exh. 4, Bates 0030-0071.

G01-0374646	07/22/20	J.T.	48834 (Fenwick)	\$566.29	48234 (Detroit)	\$1,420.86
G01-0420276	08/14/20	T.P.	48823 (East Lansing)	\$1,216.29	48223 (Detroit)	\$5,718.74
G01-0337892	07/02/20	K.S.	49076 (Olivet)	\$2,058.29	48076 (Southfield)	\$3,763.31
G01-0428755	08/19/20	S.S.	48885 (Sidney)	\$913.29	48185 (Westland)	\$1,826.69
G01-0408173	08/07/20	A.A.	48821 (Windsor Twp.)	\$1,303.29	48221 (Detroit)	\$6,004.15
G01-0404368	08/06/20	H.B.	48827 (Eaton Rapids)	\$823.29	48227 (Detroit)	\$4,698.99
G01-0416536	08/12/20	C.B.	48813 (Charlotte)	\$2,824.58	48213 (Detroit)	\$13,246.03
G01-0439399	08/25/20	S.M.	48835 (Clinton Co.)	\$1,355.29	48235 (Detroit)	\$5,706.72
G01-0440483	08/25/20	B.W.	48834 (Fenwick)	\$1,263.58	48234 (Detroit)	\$3,353.11
G01-0417665	08/13/20	L.W.	49228 (Blissfield)	\$878.29	48228 (Detroit)	\$3,104.94
G01-0403121	08/05/20	D.W.	49227 (Allen)	\$2,480.58	48227 (Detroit)	\$10,408.72
G01-0398429	08/03/20	D.J.	48835 (Clinton Co.)	\$865.29	48235 (Detroit)	\$3,367.97
G01-0404325	08/06/20	J.O.	48834 (Fenwick)	\$1,072.58	48234 (Detroit)	\$2,812.94
G01-0397181	08/03/20	L.W.	49235 (Clayton)	\$407.29	48235 (Detroit)	\$1,126.43
G01-0419971	08/14/20	V.P.	48801 (Alma)	\$903.29	48201 (Detroit)	\$3,759.25
G01-0339069	07/02/20	D.C.	48823 (East Lansing)	\$1,110.29	48223 (Detroit)	\$4,250.45
G01-0346996	07/14/20	S.A.	49127 Stevensville	\$3,788.16	48127 (Dearborn Heights)	\$6,741.59

G01-0353739	07/10/20	D.M.	48414 (Bancroft)	\$2,297.58	48214 (Detroit)	\$6,790.72
G01-0343413	07/06/20	J.E.	48827 (Eaton Rapids)	\$1,529.58	48227 (Detroit)	\$8,409.39

61. Based on the effective dates of the insurance policies for the 33 Farmers policies, Respondent Paris Boyce was continuing to use incorrect zip codes when rating insurance policies, even after he was disqualified as a producer by the MAIPF for similar conduct. [Tr. Vol. II, p. 138; Pet. Exh. 7, Bates 0171].

62. During her investigation of Respondents, Investigator Irwin also received information from another insurance company, Everest, alleging that Respondent Paris Boyce was engaging in improper rating using incorrect zip codes. [Tr. Vol. II, p. 152].

63. Investigator Irwin received documentation from Everest related to nine policies where incorrect zip codes were utilized for insurance policies written by Respondents Paris Boyce and PDB Investments, which included the following¹⁸:

Policy No.	Insured Name	Zip Code Provided	Premium Owed	Correct Zip Code	New Premium	Difference
7800321985	D.B.	48819 (Leslie)	\$989.00	48219 (Detroit)	\$2,181.00	\$1,192.00
7800364777	J.M.	48105 (Ann Arbor)	\$1,055.00	48205 (Detroit)	\$1,923.00	\$868.00
7800366435	I.C.	49201 (Jackson)	\$752.00	48201 (Detroit)	\$1,844.00	\$1,092.00
7800374119	D.W.	49227 (Allen)	\$699.00	48227 (Detroit)	\$2,029.00	\$1,330.00
7800367932	F.B.	48821 (Dimondale)	\$1,368.00	48221 (Detroit)	\$3,594.00	\$2,226.00
7800396109	C.D.R.	49235 (Clayton)	\$678.00	48235 (Detroit)	\$1,931.00	\$1,253.00
7800397273	C.H.	48915 (Lansing)	\$1,526.00	48215 (Detroit)	\$3,352.00	\$1,826.00
7800399392	E.S.	49201 (Jackson)	\$911.00	48201 (Detroit)	\$2,272.00	\$1,361.00

¹⁸ Pet. Exh. 5; Tr. Vol. III, p. 50.

7800381454	J.R.	49227 (Allen)	\$712.00	48227 (Detroit)	\$2,061.00	\$1,349.00
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64. As a producer, Respondent Paris Boyce was responsible for making sure that all of the information on an insurance application is correct. [Tr. Vol. III, p. 76].

65. A producer entering false information on an application to cause a reduction in a premium constitutes an inducement for the customer to purchase insurance from that producer, which in turn results in that insurance producer receiving a commission. [Tr. Vol. II, p. 150; Tr. Vol. III, p. 13].

Inaccurate Statements on Life Insurance Policies

66. During DIFS’ investigation, Investigator Irwin also received complaints from an insurance company relative to Respondents Paris Boyce and PDB Investments’ issuance of life insurance policies. [Tr. Vol. II, p. 165; Tr. Vol. III, p. 15].

67. In 2018, Respondent Paris Boyce signed as a producer on several Whole Life Protector Applications through United Home Life Insurance Company (United). Respondent Paris Boyce and the insureds signed the application documents simultaneously as indicated below¹⁹:

Insured Name	Signed by Insured	Signed by Respondent Paris Boyce
F.B.	5/30/18, 8:08 PM	5/30/18, 8:08 PM
N.B.	5/23/18, 6:44 PM	5/23/18, 6:44 PM
M.C.	5/22/18, 11:29 PM	5/22/18, 11:29 PM
A.D.	5/22/18, 10:15 PM	5/22/18, 10:15 PM
C.G.	5/22/18, 11:17 PM	5/22/18, 11:17 PM
H.L.	5/23/18, 7:44 PM	5/23/18, 7:44 PM
X.M.	5/22/18, 9:07 PM	5/22/18, 9:07 PM
R.M.	5/22/18, 8:47 PM	5/22/18, 8:47 PM
C.P.	5/22/18, 9:55 PM	5/22/18, 9:55 PM
L.T.	5/23/18, 8:31 PM	5/23/18, 8:31 PM
D.T.	5/22/18, 10:37 PM	5/22/18, 10:37 PM

68. The e-signature process involves the insured signing the application electronically and returning the application to the producer. After receiving the signed copy of the application only then would the producer electronically sign the application. Had this process been followed, the insured’s signature and

¹⁹ Pet. Exh. 6

Respondent Paris Boyce's signature would show a different date and/or time stamp. [Tr. Vol. III, p. 17].

69. Electronic Fund Transfer (EFT) Authorization Forms were also included with the United Whole Life Protector Applications for each of the insureds listed above. Each of the EFT Authorization Forms that accompanied the applications listed the insureds as the account holders of a Chase Bank account. The EFT Authorization Forms also listed the exact same account number and routing number for each of the insureds. The account and routing numbers listed on each of these forms belonged to Respondent PDB Investments. [Pet. Exh. 6, Bates 0106, 0111, 0117, 0123, 0128, 0133, 0138, 0143, 0148, 0153, 0158; Pet. Exh. 9, Bates 0195; Tr. Vol. III, pp. 20-21].

70. The producer has an obligation to review the EFT Authorization Form for accuracy, even if the producer does not sign the document. [Tr. Vol. III, pp. 22-23].

Conclusions of Law

Petitioner bears the burden of proving, by a preponderance of evidence, that Respondents violated the Code as alleged in the Complaint. As the Michigan Supreme Court has stated, “[p]roof by a preponderance of the evidence requires that the fact finder believe that the evidence supporting the existence of the contested fact outweighs the evidence supporting its nonexistence.” *Blue Cross and Blue Shield of Michigan v Milliken*, 422 Mich 1; 367 NW2d 1 (1985). A preponderance of evidence is evidence which is of a greater weight or more convincing than evidence offered in opposition to it. It is simply that evidence which outweighs the evidence offered to oppose it. *Martucci v Detroit Commissioner of Police*, 322 Mich 270; 33 NW2d 789 (1948).

The principles that govern judicial proceedings also apply to administrative hearings. 8 *Callaghan's Michigan Pleading and Practice 2nd ed.*, Section 60.48, p 230. A default ruling having been made against Respondent PDB Investments and Respondent D'Lante Boyce²⁰, the factual and legal allegations set forth in the June 5, 2023 Complaint against Respondent PDB Investments and Respondent D'Lante Boyce are adopted as true. *Smith v Lansing School Dist*, 428 Mich 248; 406 NW2d 825 (1987).

²⁰ Respondent Paris Boyce argues that Respondent D'Lante Boyce “should not be found in default because he participated in all of the proceedings consistent with the law.” [Resp. Closing, p. 1]. However, as stated in the above Procedural History, Respondent D'Lante Boyce chose to remove himself from the hearing room within the first few minutes of the hearing on April 8, 2024, and did not return to participate in the proceeding for the remainder of day on April 8, 2024, nor did he return on the subsequent hearing days held on April 9, 2024 and April 10, 2024. Therefore, Respondent Paris Boyce's argument that D'Lante Boyce “participated in all of the proceedings” is without merit.

Respondent Paris Boyce participated in the hearing held on April 8, 2024 through April 10, 2024. The June 5, 2023 Complaint also sets forth alleged facts and associated Code violations against Respondent Paris Boyce, which the undersigned addresses in further detail below.

Respondent Paris Boyce's Objections to Hearsay

In the written closing statement, Respondent Paris Boyce generally argues that all of Petitioner's evidence constitutes inadmissible hearsay. [See Resp. Closing, p. 4]. Under Michigan Rule of Evidence (MRE) 801(c), hearsay "is a statement, other than the one made by the declarant while testifying at the trial . . ., offered in evidence to prove the truth of the matter asserted." Unless otherwise provided by the rules of evidence, hearsay is not admissible. MRE 802. However, there are numerous exceptions to that general rule. See MRE 803. One is known as the business-records exception. See MRE 803(6). See also *Solomon v Shuell*, 435 Mich 104, 108; 457 NW2d 669 (1990). The business-records exception provides as follows:

Records of regularly conducted activity. A memorandum, report, record, or data compilation, in any form, of acts, transactions, occurrences, events, conditions, opinions, or diagnoses, made at or near the time by, or from information transmitted by, a person with knowledge, if kept in the course of a regularly conducted business activity, and if it was the regular practice of that business activity to make the memorandum, report, record, or data compilation, all as shown by the testimony of the custodian or other qualified witness, or by certification that complies with a rule promulgated by the supreme court or a statute permitting certification, unless the source of information or the method or circumstances of preparation indicate lack of trustworthiness. [MRE 803(6).]

An exhibit may not be excluded solely because it constitutes hearsay. The Michigan Court of Appeals has found that "hearsay evidence may be considered if it is commonly relied on by reasonably prudent persons in the conduct of their affairs." *Spratt v Dept of Social Services*, 169 Mich App 693; 426 NW2d 780 (1988); and *Michigan State Employees Ass'n v Civil Service Comm'n*, 126 Mich App 797, 804; 338 NW2d 220 (1983).

In administrative hearings, restrictions on the admissibility of evidence are less strict than in trials in Michigan courts of law. *Viculin v Dep't of Civil Service*, 386 Mich 375; 192 NW2d 449 (1971); *Rentz v General Motors Corp.*, 70 Mich App 249, 253; 245 NW2d 705 (1976). Additionally, Section 75 of the Administrative Procedures Act of 1969, MCL 24.275, provides:

In a contested case the rules of evidence as applied in a nonjury civil case in circuit court shall be followed as far as practicable, but an agency may admit and give probative effect to evidence of a type commonly relied upon by reasonably prudent men in the conduct of their affairs.

In this matter, Petitioner called three witnesses to testify as to the allegations against Respondents. Cheri Olfier, Analyst with the MDOS's Insurance Fraud Prevention Unit, credibly testified as to her own investigation into the documentation and representations sent to the MDOS from Respondents. In addition to her own personal knowledge of Respondents' conduct, Ms. Olfier's testimony was also supported by various business records kept by the MDOS related to Respondents' submission of false and/or misleading documents claiming insurance coverage for several consumers. [See Pet. Exh. 15 through 24].

Similarly, Petitioner's second witness, Bret Scott, Operations Manager at MAIPF, also credibly testified as to his personal knowledge of Respondent Paris Boyce's conduct related to his violations of MAIPF rules. Mr. Scott's testimony was likewise supported by the business records kept by the MAIPF related to Respondent Paris Boyce's conduct as well as Respondent Paris Boyce's subsequent disqualification as a producer for the MAIPF. [See Pet. Exh. 7 through 14].

Finally, Investigator Irwin also credibly testified as to her personal knowledge of Respondents' conduct through her years-long investigation into Respondents' conduct. Investigator Irwin's credible testimony was also supported by the documentary evidence Petitioner received from the MDOS and MAIPF as to Respondents' conduct that supported the alleged violations of the Code. Additionally, Investigator Irwin credibly testified that Petitioner received information from other insurance carriers regarding Respondents' conduct in violation of the Code, which included documentation to corroborate their allegations against Respondents. [See Pet. Exh. 4, 5, 6, and 26].

Upon review, the undersigned finds that the evidence presented by Petitioner was a type commonly relied upon by reasonably prudent persons in the conduct of their affairs and is therefore admissible pursuant to Section 75 of the APA. Of note, Respondents did not present any evidence at the hearing to rebut the credible evidence presented by Petitioner.

Code Violation I: MCL 500.1205(2)(b)

For Code Violation I of the Complaint, Petitioner alleges that Respondent Paris Boyce failed to ensure Respondent PDB Investment was in compliance with numerous provisions of the Code in violation of MCL 500.1205(2)(b). [Pet. Complaint, ¶ 28].

MCL 500.1205 provides in relevant part:

* * *

(2) A business entity acting as an insurance producer shall obtain an insurance producer license. A business entity applying for an insurance producer license shall file with the director the uniform business entity application required by the director. The director shall not approve an application for an insurance producer license under this subsection unless the director finds all of the following:

* * *

(b) The business entity has designated an individual licensed producer responsible for the business entity's compliance with this state's insurance laws, rules, and regulations.

The evidence presented establishes that Respondent Paris Boyce was the DRLP for Respondent PDB Investments. [See Pet. Exh. 1 and 2]. Petitioner's witness, Investigator Irwin, also provided credible, un rebutted testimony that as the DRLP, Respondent Paris Boyce was the individual responsible for the day-to-day activities of Respondent PDB Investments and for ensuring that Respondent PDB Investments and its employees are in compliance with the Code. [Tr. Vol. II, pp. 118, 151].

Petitioner's credible, un rebutted evidence also established that Respondent Paris Boyce used incorrect zip codes to rate insurance policies at a lower premium and intentionally made false or misleading representations on the terms of a proposed 7-day insurance contract in violation of MCL 500.2003 and MCL 500.4503. [See Pet. Exh. 4, 5, 6, and 9]. The evidence also establishes that Respondent Paris Boyce paid a consumer's premium through Respondent PDB Investment's bank account in violation of MCL 500.2003 and MCL 500.2066, and that he failed to maintain reasonable accounting methods to record funds received in violation of MCL 500.1207(2). [See Pet. Exh. 9]. Moreover, the evidence establishes that Respondent Paris Boyce presented false information to the MDOS on purported certificates of insurance in violation of MCL 500.2271. [See Pet. Exh. 15, 16, and 19].

Therefore, even though Respondent PDB Investments did in fact designate Respondent Paris Boyce as its licensed producer responsible for compliance with the state's insurance laws, rules, and regulations, by engaging in the above referenced conduct in violation of the Code, Respondent Paris Boyce, as the DRLP of PDB Investments, failed to ensure that Respondent PDB Investments was in compliance with Code in violation of MCL 500.1205(2)(b).

Code Violation II: MCL 500.1207(2)

For Code Violation II of the Complaint, Petitioner alleges Respondent Paris Boyce and Respondent PDB Investments failed to use reasonable accounting methods in violation of MCL 500.1207(2). [Pet. Complaint, ¶ 30].

Section 1207(2), in effect at the time relevant to the allegations in the Complaint, provides as follows:

An agent shall use reasonable accounting methods to record funds received in his or her fiduciary capacity including the receipt and distribution of all premiums due each of his or her insurers. An agent shall record return premiums received by or credited to him or her that are due an insured on policies reduced or canceled or that are due a prospective purchaser of insurance as a result of a rejected or declined application. Records required by this section must be open to examination by the director.

In their written closing, Petitioner argues that Respondent Paris Boyce listed Respondent PDB Investment's bank account on several EFT Authorization Forms for different customers "without maintaining any documentation to show his customers were aware the funds had been paid." [Pet. Closing, pp. 14-15].

In support, Petitioner presented evidence of the EFT Authorization Forms for 10 different customers, which indicated that their first premium should not be drafted from the insured's account but was instead "attached, is being mailed, or will be collected on delivery." [Pet. Exh. 6, Bates 0111, 0117, 0123, 0128, 0133, 0138, 0143, 0148, 0153, 0158]. The EFT Authorization Forms did not specifically indicate how these funds were received or what amount was received. [*Id.*]. Additionally, Petitioner presented an EFT Authorization Form for Consumer F.B., which indicated that the first premium for her policy should be drafted from her bank account "immediately upon receipt of the application in the Home Office." [Pet. Exh. 6, Bates 0106]. The EFT Authorization Form for F.B. also did not indicate how or if these funds were actually received from the insured. As will be discussed in further detail below, although F.B. was listed as the bank account holder on the EFT Authorization Form, the bank account listed was actually held by Respondent PDB Investments.

Investigator Irwin credibly testified that an EFT Authorization Form is not a sufficient receipt as it does not show the amount of funds Respondents received from the customers for their first insurance premiums or how those funds were received. [Tr. Vol. III, pp. 80-82]. Investigator Irwin further credibly testified that when she spoke with Respondent Paris Boyce about his accounting measures for the receipt of funds,

Respondent Paris Boyce explained the premium amount listed on the insurance application was his only accounting measure because he wanted to “save paper”. [Tr. Vol. III, pp. 26-27]. While Respondent Paris Boyce did not offer any sworn testimony at the hearing as it relates to his accounting methods, Respondent Paris Boyce similarly argued in his written closing that the “receipt for the price of the policy is commonly the application or policy itself.” [Resp. Closing, p. 5].

Upon review of the evidence presented, the undersigned does not find that the price on an application for an insurance policy is a “reasonable accounting method to record funds received” by Respondent Paris Boyce or Respondent PDB Investments. As stated in Section 1207(2), the accounting methods must include “the receipt and distribution of all premiums due” to the insurers. The applications for insurance do not include any information as to how these funds were received or distributed by Respondent Paris Boyce or Respondent PDB Investments. [See Pet. Exh. 6].

Next, Petitioner also presented evidence that Respondent Paris Boyce failed to keep any records or receipts related to Consumer V.F.’s “7-Day policy”. [See Pet. Exh. 9]. In his written closing, Respondent Paris Boyce maintains that V.F. paid for the insurance policy in cash and that she was given the application as a receipt. [Resp. Closing, p. 5]. However, these statements assume facts not in evidence as Respondent Paris Boyce offered no sworn testimony or documentary evidence in support of this assertion. Furthermore, the assertion that V.F. paid Respondents in cash for the policy lacks credibility based upon a review of Respondents’ February 28, 2019 letter sent to V.F. on Respondent PDB’s letterhead, which states in pertinent part, “[b]ecause our Agency paid the full 40% Down on your 7-Day policy, the Agency’s Refund Check is set up to be mailed to the Agency’s P.O. Box.” [Pet. Exh. 9, Bates 0188].

Respondent Paris Boyce attempted to argue that he has never seen the February 28, 2019 letter and that he believes someone from the MAIPF, MDOS and/or DIFS created the letter. [Resp. Closing, pp. 5-6]. Of note, the letterhead used on the February 28, 2019 letter is identical to the letterhead used on the faxes sent to MDOS from Respondent PDB Investments. [See Pet. Exh. 9, Bates 0188; Pet. Exh. 18, Bates 0297]. Without any evidence to substantiate the assertion that another agency created this letter, the undersigned finds that this self-serving statement lacks credibility.

It is further observed that even if V.F. had paid cash as Respondent Paris Boyce claims, Respondent Paris Boyce failed to present a record or receipt to establish how he received these funds from V.F. or a record of whether these funds were deposited into Respondent PDB Investment’s bank account. [See Pet. Exh. 9, Bates 0191, 0195; Tr. Vol. III, pp. 89, 92].

Therefore, a preponderance of the evidence presented establishes that Respondent Paris Boyce and Respondent PDB Investments failed to create, maintain, and issue

receipts to customers in order to record funds received in a fiduciary capacity and thus failed to use reasonable accounting methods in violation of MCL 500.1207(2).

Code Violation III: MCL 500.1239(1)(c)

For Code Violation III of the Complaint, Petitioner alleges Respondents intentionally misrepresented the terms of actual or proposed insurance contracts and/or insurance applications, including but not limited to preparing and presenting applications with incorrect ZIP Codes, representing that they were offering 7-day policies and informing customers that claims could not be made on those policies for placement through the MAIPF when, in fact, no 7-day policies are offered through MAIPF, presenting certificates of insurance that utilized the Respondents' address or bank account information rather than the insureds, and other similar activity, which justifies sanctions pursuant to MCL 500.1239(1)(c). [Pet. Complaint, ¶ 32].

MCL 500.1239(1)(c) provides:

- (1) In addition to any other powers under this act, the director may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the director shall not issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

* * *

- (c) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

As it relates to the allegation that Respondents were preparing and presenting applications with incorrect zip codes, Petitioner presented credible, un rebutted evidence to establish that Respondents Paris Boyce and PDB Investments were entering incorrect zip codes on insurance applications for consumers with Farmers and Everest. [See Pet. Exh. 4 and 5]. The evidence presented establishes that Respondent Paris Boyce was entering ZIP codes that were one digit off from the correct zip code, which led to customers receiving reduced premiums on their insurance policies. [*Id.*].

Respondent Paris Boyce argues that the Farmers Report “has too many lies to list in it” and that Farmers is “retaliating against us for questioning their illegal zip code ratings.” [Resp. Closing, p. 6]. However, Respondent Paris Boyce contradicts this statement by seemingly agreeing that incorrect zip codes were used on the Farmers applications by placing the blame for the incorrect zip codes on two prior employees of Respondent PDB Investments whom he alleges were subsequently terminated. [Resp. Closing, p. 2]. The assertion that the use of incorrect zip codes was done by other employees

assumes facts not in evidence as Respondent Paris Boyce did not offer any evidence at the hearing. Even assuming these actions were indeed taken by other employees, as the DRLP of Respondent PDB Investments, Respondent Paris Boyce was responsible for the day-to-day activities performed by the agency and for ensuring the agency and its employees are in compliance with the Code. [Tr. Vol. II, pp. 118, 151]. Therefore, the undersigned finds that Respondent Paris Boyce was responsible for the utilization of incorrect zip codes on insurance applications.

Petitioner further established that Respondents Paris Boyce and PDB Investment's use of incorrect zip codes was an intentional misrepresentation. With respect to the applications for insurance policies with Farmers, the evidence establishes that Respondents Paris Boyce and PDB Investments used incorrect zip codes on at least 33 different insurance applications within a period of just four months. [See Pet. Exh. 4]. These 33 policies were also written during the time of May 2020 through August 2020. The fact that Respondent Paris Boyce was continuing to use incorrect zip codes when rating insurance policies in 2020, even after he received a notification for disqualification for the same conduct from MAIPF, establishes that Respondent Paris Boyce continued to intentionally misrepresent zip codes on applications for purposes of obtaining lower premiums for consumers. [Tr. Vol. II, p. 138; Pet. Exh. 7, Bates 0171].

As to the allegation that Respondents were "representing that they were offering 7-day policies and informing customers that claims could not be made on those policies for placement through the MAIPF", Petitioner's credible, un rebutted evidence establishes that Respondents sent a letter to V.F. on February 28, 2019, which references V.F.'s "7-Day policy" and that this policy "IS NOT MEANT FOR FILING CLAIMS!!". [Pet. Exh. 9, Bates 0188]. The policy in question, however, was actually a six-month policy as this was the only term available through the MAIPF, per the credible testimony of Bret Scott, MAIPF Operations Manager. [Tr. Vol. II, pp. 25-26, 34-35, 40]. Therefore, Respondents' representation of the existence of a 7-day policy with MAIPF, which did not in fact exist was another example of an intentional misrepresentation of the terms of an actual or proposed insurance contract.

With respect to the allegation that Respondent PDB Investment's address and/or bank account information was being utilized on insurance applications, the credible, un rebutted evidence establishes that Respondent PDB Investment's mailing address was listed on a Policy Change Request for an insured on at least one occasion. [See Pet. Exh. 16, Bates 0278]. The evidence further establishes that on multiple occasions, Respondent Paris Boyce was utilizing Respondent PDB Investments' own bank account while representing that the account belonged to the insureds. [See Pet. Exh. 6, Bates 0106, 0111, 0117, 0123, 0128, 0133, 0138, 0143, 0148, 0153, 0158; Pet. Exh. 9, Bates 0195; Tr. Vol. III, pp. 20-21]. Again, Respondent Paris Boyce alleges that the funds were received from the customers and were subsequently placed in Respondent PDB

Investments' bank account for the issuance of payment. [Resp. Closing, p. 11]. As noted above, Respondent Paris Boyce offered no evidence to substantiate this assertion. Additionally, this assertion fails to explain why Respondents misrepresented the name of the bank account holder on the EFT Authorization Forms as the name of the insured rather than the actual account holder, Respondent PDB Investments.

Therefore, a preponderance of evidence establishes that Respondents' conduct of intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance for more than one consumer justifies the imposition of sanctions pursuant to MCL 500.1239(1)(c).

Code Violation IV: MCL 500.1239(1)(g)

For Code Violation IV of the Complaint, Petitioner alleged that Respondents conduct shows they engaged in "fraudulent, coercive or dishonest practices and/or demonstrated incompetence, untrustworthiness, or financial irresponsibility" justifying sanctions pursuant to MCL 500.1239(1)(g) by engaging in the following²¹:

- A. Presenting and/or preparing applications for insurance containing Respondent PDB's bank account information for customers' insurance policies;
- B. Providing false information to and issuing an altered, fraudulent certificate of insurance that was presented to MDOS;
- C. Presenting applications for insurance with incorrect ZIP Codes;
- D. Presenting false, misleading, and/or fraudulent information to an insurer;
- E. Making false or fraudulent statements or representations on or relative to an application for an insurance policy;
- F. Failing to remit funds to the insurer for vehicles added to existing policies or otherwise diverting funds of the insurer;
- G. Falsely claiming that individuals and vehicles had been added to existing policies;
- H. Indicating that one or more insurance policies were 7-day policies that did not allow customers to file claims;
- I. Signing and/or endorsing customers' refund checks;

²¹ Pet. Complaint, ¶ 34(A)-(S).

- J. Providing or otherwise submitting applications for insurance falsely claiming that those applications had been signed by the applicant;
- K. Failing to have customers' signatures on their refund checks;
- L. Depositing customers' refund checks into their own account;
- M. Falsely issuing and/or otherwise delivering documents that purported to alter or amend coverage;
- N. Falsely claiming insurance coverage for individuals and/or vehicles;
- O. Issuing, preparing, and/or delivering documents to the insured and/or to the MDOS that they falsely claimed to be from insurers;
- P. Failing to follow the process to allow the insureds the opportunity to review the paperwork;
- Q. Providing Respondent PDB's bank account information for EFT authorization forms for customers' insurance policies;
- R. Being disqualified from the MAIPF pursuant to MCL 500.3355(2) for persistently violating MAIPF rules; and
- S. Paying the down payments and/or insurance premiums for customers.

MCL 500.1239 provides in relevant part:

(1) In addition to any other powers under this act, the director may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the director shall not issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

* * *

(g) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

Related to Respondents' conduct set forth in Paragraph 34(A), (C), (D), (E), (H), (O), and (Q) of the Complaint, as found above under Code Violation III, Petitioner met its burden of establishing by a preponderance of the evidence that Respondent Paris Boyce presented applications for insurance with incorrect ZIP codes, Respondents Paris Boyce and PDB Investments presented and/or prepared applications for insurance containing Respondent PDB Investment's bank account information for customers' insurance policies, and that Respondents indicated that one or more insurance policies were 7-day policies that did not allow customers to file claims. [See Pet. Exh. 4, 5, 6, and 9]. This same conduct further shows that Respondents engaged in fraudulent, coercive, or dishonest practices and demonstrated incompetence, untrustworthiness, or financial irresponsibility and therefore sanctions are justified under MCL 500.1239(1)(g).

Related to Respondents' conduct set forth in Paragraph 34(B), (M) and (O) of the Complaint, Petitioner presented evidence that Respondents Paris Boyce and PDB Investments were providing false information to and issuing an altered fraudulent certificate of insurance that was presented to MDOS. In support, Petitioner presented evidence establishing that Respondent Paris Boyce submitted a written statement to the MDOS stating that T.C. "added a 2005 Pontiac G6 GT (VIN # 1G2ZH528754149851) with Michigan No-Fault Liability to her current policy effective 09/14/2018." [Pet. Exh. 19, Bates 0320]. MDOS's records indicate that T.C. was made aware that she must submit a written statement confirming insurance directly from the carrier, Everest. [Pet. Exh. 19, Bates 0318]. On January 7, 2019, MDOS received a written statement purporting to be from Everest to verify T.C.'s insurance. [Pet. Exh. 19, Bates 0325]. The January 7, 2019 statement was unsigned and was not received from Everest's fax number. [Id.]. Of note, the fax number used to send the January 7, 2019 letter was a fax number for Community Short-Term Loans, a company owned by Respondent Paris Boyce. [Pet. Exh. 19, Bates 0316; Tr. Vol. III, pp. 31, 33-34]. The wording used on the statement was also identical to the written statement sent by Respondent Paris Boyce on January 3, 2019. [See Pet. Exh. 19, Bates 0320, 0325].

Respondent Paris Boyce maintains that T.C. was the one who created the January 7, 2019 faxed document purporting to be from Everest because she was "exasperated". [Resp. Closing, p. 9; Pet. Exh. 19, Bates 0325]. Respondent Paris Boyce further argues that T.C. "asked if she could use the fax and we accommodated her." [Resp. Closing, p. 9]. As noted by Respondent Paris Boyce, T.C. did not testify at the hearing and thus the allegation that T.C. created the January 7, 2019 written statement was unsubstantiated. The undersigned also finds that this self-serving accusation against T.C. lacks credibility given the similarities between the written statements and the use of a fax number owned by Respondent Paris Boyce. Therefore, Respondent Paris Boyce and Respondent PDB Investments' conduct as it relates to T.C. establishes that Respondents engaged in fraudulent, coercive, or dishonest practices or demonstrated

incompetence, untrustworthiness, or financial irresponsibility and therefore sanctions are justified under MCL 500.1239(1)(g).

As to Respondents' conduct set forth in Paragraph 34(G) and (N) of the Complaint, Petitioner presented evidence to establish that Respondents were falsely claiming that individuals and/or vehicles were being added to existing policies. In support, Petitioner presented copies of Policy Change Requests sent to Everest from Respondent Paris Boyce on behalf of the producer, Respondent PDB Investments, for 22 different pre-existing policies. [See Pet. Exh. 26]. Each of the Policy Change Requests identified the added driver as a "friend" and each of the added drivers and their vehicles were subsequently removed from the pre-existing policies only a few days later. [*Id.*]. Investigator Irwin credibly testified at the hearing that Respondents adding multiple friends and vehicles to one pre-existing policy, without verifying there is an insurable interest, and then cancelling a few days later is a misrepresentation that constitutes a fraudulent or dishonest practice. [Tr. Vol. III, pp. 99-101].

Respondent Paris Boyce argues that "there is no law that says an automobile insurance customer can't add drivers and vehicles to their pre-existing Everest Insurance policy. Customers determine insurable interest. Not the insurance agent." [Resp. Closing, p. 7]. As such, Respondent Paris Boyce maintains that his customer "was only doing this measure of adding friends and their vehicles to each other's policies because DIFS unfairly allows Auto Insurance Carriers to redline Black Detroiters based on their zip codes." [*Id.*]. Thus, it appears that Respondent Paris Boyce is not disputing that these particular customers were adding friends to existing policies where there was no insurable interest. Rather, Respondent Paris Boyce is again attempting to place all the blame for the use of false or misleading information on the consumers. However, as an agent for the insurance companies, Respondents Paris Boyce and PDB Investments were responsible for ensuring that accurate information was provided to the insurance company. [Pet. Exh. 2; Tr. Vol. II, p. 121; Tr. Vol. III, pp. 5-6]. Since Respondent Paris Boyce was aware that consumers were attempting to avoid "redlining" by falsely representing an insurable interest in friends' vehicles and adding them to their pre-existing policies before cancelling a few days later, the evidence establishes that Respondents were engaged in fraudulent, coercive, or dishonest practices or demonstrated incompetence, untrustworthiness, or financial irresponsibility and therefore sanctions are justified under MCL 500.1239(1)(g).

Regarding the alleged conduct set forth in Paragraph 34(J) of the Complaint, Petitioner presented evidence related to Respondent Paris Boyce submitting applications for life insurance that falsely claimed to have been electronically signed simultaneously by both Respondent Paris Boyce and the insureds in May 2018. [See Pet. Exh. 6]. Investigator Irwin credibly established that with the e-signature process, the insured should sign the document first and then send the document for signature by the producer, Respondent

Paris Boyce. [Tr. Vol. III, p. 17]. Investigator Irwin stated that had this process been followed, the e-signatures for Respondent Paris Boyce and the insured would have shown a different date and/or time stamp. [*Id.*].

Respondent Paris Boyce does not dispute the dates and times of the e-signatures on the life insurance policies were the same but argues that this is not a violation of insurance law and that "DIFS should have also reached out to UHL to find out why the date/time stamps on the e-signatures had the exact same times." [Resp. Closing, p. 11]. Respondent Paris Boyce offered no reasoning as to why the insurance company would have information regarding why he e-signed the documents at the same time as the insureds. As one of the signatories on the applications, Respondent Paris Boyce would be in the best position to offer an explanation for this discrepancy but failed to do so. Therefore, a preponderance of the evidence presented establishes that Respondent Paris Boyce e-signed the life insurance policies for the insureds. This conduct engaged in by Respondent Paris Boyce constitutes fraudulent and/or dishonest practices and demonstrates incompetence and untrustworthiness and therefore justifies sanctions pursuant to MCL 500.1239(1)(g).

With respect to Respondents' alleged conduct set forth in Paragraph 34(L) of the Complaint, Petitioner presented evidence to establish that Respondents deposited customers' refund checks into Respondent PDB Investment's account. This allegation was substantiated by the February 28, 2019 letter sent by Respondents to V.F., which stated in pertinent part, "[b]ecause our Agency paid the full 40% Down on your 7-Day policy, the Agency's Refund Check is set up to be mailed to the Agency's P.O. Box. But if it is mistakenly mailed to your home address, GET THE REFUND CHECK TO OUR AGENCY AS SOON AS POSSIBLE OR YOUR LICENSE PLATE WILL CANCEL!!" [Pet. Exh. 9, Bates 0188].

Respondent Paris Boyce asserts that V.F. "gave us \$608.00 cash." [Resp. Closing, p. 5]. Respondent Paris Boyce presented no evidence at the hearing to substantiate this assertion. Additionally, even if Respondent Paris Boyce is to be believed that V.F. paid Respondents in cash, he failed to offer any explanation for why the February 28, 2019 letter demanded that the refund be returned to Respondents rather sent to V.F. Respondent Paris Boyce also alleged that he has never seen the February 28, 2019 letter, which as discussed above was found to be not credible by the undersigned. As such, a preponderance of the evidence establishes that Respondents engaged in the conduct of depositing a customers' refund check into their own account, which constitutes fraudulent and/or dishonest practices or incompetence and untrustworthiness and therefore justifies sanctions pursuant to MCL 500.1239(1)(g).

With respect to the alleged conduct set forth in Paragraph 34(P) of the Complaint, Petitioner presented evidence to establish that Respondents failed to follow the process

that allowed the insureds an opportunity to review their paperwork. This allegation was supported by the finding above that Respondent Paris Boyce was simultaneously e-signing life insurance policies on behalf of himself and the insureds. [See Pet. Exh. 6]. Petitioner also presented evidence to establish that Respondents Paris Boyce and PDB Investments faxed an insurance application and pre-dated Policy Change Requests that were not signed by the consumer, D.S. [See Pet. Exh. 16, Bates 0275-0281]. These examples establish that Respondents were more likely than not failing to follow the process that would allow the insureds an opportunity to review their paperwork before it was submitted. Based on a preponderance of the evidence, Respondents failure to follow this process constitutes fraudulent or dishonest practices and/or incompetence and untrustworthiness and therefore justifies sanctions pursuant to MCL 500.1239(1)(g).

Regarding the alleged conduct set forth in Paragraph 34(R) of the Complaint, Petitioner presented credible evidence to establish that Respondent Paris Boyce was disqualified from the MAIPF for continuous violations of MAIPF rules. [See Pet. Exh. 7]. The evidence presented shows that Respondent Paris Boyce was notified of his continued violations of MAIPF Plan of Operations and policies in August 2018. [Pet. Exh. 7, Bates 0174; Tr. Vol. II, p. 24]. After Respondent Paris Boyce was reinstated in October 2018, the evidence further establishes that Respondent Paris Boyce continued to engage in violations and deficiencies involving MAIPF's rules, which included conduct such as using non-MAIPF forms, issuing 44 invalid Certificates of Insurances, continuing to issue 7-day policies, providing documents that were predated or had identical issue and cancellation dates, and providing documents that appeared to be doctored. [Pet. Exh. 7, Bates 0175; Tr. Vol. II, pp. 44, 61]. As a result of these continued violations, Respondent Paris Boyce was disqualified as a producer for the MAIPF by Final Order of the DIFS Director. [Pet. Exh. 7, Bates 0160-0163].

In response, Respondent Paris Boyce indicates that "Mr. Scott's testimony is double jeopardy. We already had a hearing with MAIPF for rules violations. We lost and accepted our punishment." [Resp. Closing, p. 15]. However, unlike the prior matter involving MAIPF disqualification pursuant to MCL 500.3355(5), this matter involves whether Respondent Paris Boyce's conduct of persistently violating the MAIPF rules warrants a sanction pursuant to MCL 500.1239(1)(g). Thus, Respondent Paris Boyce's assertion of double jeopardy is without merit.

Additionally, although Respondent Paris Boyce claims that he "accepted" the punishment from MAIPF, Respondent Paris Boyce attempts to challenge the prior finding by claiming that his use of the ACORD 50 form was not against MAIPF's rules and that he only "defied" the "opinions" of Ms. McCubbin and Mr. Scott when he continued to use the form against their explicit instructions. [Resp. Closing, pp. 14-15]. Respondent Paris Boyce cannot collaterally challenge the DIFS Director's final decision in this forum. Moreover, while Respondent Paris Boyce claims that the use of the

ACORD 50 was not against MAIPF rules, he fails to establish any justification for the other MAIPF rules violations and deficiencies he engaged in following the August 2018 Notice of Disqualification. Based upon Respondent Paris Boyce's persistent violations of the MAIPF rules after receiving the initial notice of violations in August 2018, Respondent Paris Boyce demonstrated fraudulent, coercive, or dishonest practices as well as incompetence and untrustworthiness in the conduct of business and therefore sanctions are justified pursuant to Section 1239(1)(g).

With respect to the alleged conduct set forth in Paragraph 34(S) of the Complaint, Petitioner presented credible evidence that Respondents paid the down payment for insurance coverage for V.F. As noted above, Respondents sent a letter to V.F. on February 28, 2019, which stated in pertinent part, "[b]ecause our Agency *paid the full 40% Down* on your 7-Day policy, the Agency's Refund Check is set up to be mailed to the Agency's P.O. Box. (Emphasis added). [Pet. Exh. 9, Bates 0188]. Again, although Respondent Paris Boyce attempted to argue that V.F. had given Respondents cash, Respondent Paris Boyce presented no evidence at the hearing to substantiate this assertion.

Petitioner also presented evidence to establish that Respondent PDB Investment's bank account was used to pay the insurance premium on a life insurance policy for F.B. [Pet. Exh. 6, Bates 0102-0106]. With respect to the life insurance policies through United, Respondent Paris Boyce similarly claims that the "funds were already in our bank account. So, we were going to process the down payments with funds that we already have from the customer." [Resp. Closing, p. 11]. Again, Respondent Paris Boyce failed to present any evidence at the hearing to corroborate this claim. As such, a preponderance of the evidence establishes that Respondents paid the down payment and/or insurance premiums for customers which constitutes fraudulent, coercive, or dishonest practices or demonstrated incompetence, untrustworthiness, or financial irresponsibility and therefore sanctions are justified under MCL 500.1239(1)(g).

Regarding the alleged conduct set forth in Paragraph 34(F) of the Complaint, Petitioner presented credible, unrebutted evidence to establish that Respondents diverted funds of the insurer by knowingly using the incorrect zi codes, which led to the insureds receiving a lower premium and the insurance companies receiving less than what should have been assessed for such policies. [See Pet. Exh. 4 and 5]. Therefore, a preponderance of the evidence establishes that Respondents diversion of funds of the insurer constitutes fraudulent, coercive, or dishonest practices or demonstrated incompetence, untrustworthiness, or financial irresponsibility and therefore sanctions are justified under MCL 500.1239(1)(g).

Regarding Respondents' alleged conduct set forth in Paragraph 34(I), and (K) of the Complaint, Petitioner did not present evidence to establish that Respondents signed

and/or endorsed customers' refund checks or that Respondents failed to have customers' signatures on their refund checks. Therefore, Petitioner failed to meet its burden of establishing that the alleged conduct in Paragraph 34(l) and (K) of the Complaint justifies sanctions pursuant to MCL 500.1239(1)(g).

Finally, Petitioner argues that this tribunal is empowered by the finding in *Dubuc v Green Oak Township*, 461 Mich 916 (2002), to find that Respondent Paris Boyce's tactics in delaying the proceedings in this matter "are another example of dishonest practices that violate the Code." [Pet. Closing, pp. 16-17]. The Administrative Law Judge, however, is not permitted to go beyond the allegations actually set forth in the complaint. See *BHCS v Jan H. Pol, DVM*, unpublished per curiam opinion of the Court of Appeals, issued June 23, 2016 (Docket No. 327346). As such, the undersigned declines to make such a ruling on Respondent Paris Boyce's conduct leading up to and following the proceedings.

Code Violation V: MCL 500.1239(2)(e)

For Code Violation V of the Complaint, Petitioner alleges that by violating insurance laws of this state, including MCL 500.1205(2)(b), MCL 500.1206(5), MCL 500.1207(2), MCL 500.1238(1), MCL 500.1247(1), MCL 500.2003, MCL 500.2066(1), MCL 500.2271(a) and (b), MCL 500.3101a(5), and MCL 500.4503(a), (b) and (g)(i) and (ii), Respondents' conduct justifies sanctions pursuant to MCL 500.1239(2)(e). [Pet. Complaint, ¶ 36].

As to the alleged violations of MCL 500.1206(5) and MCL 500.1238(1), Petitioner failed to present evidence to establish that Respondents failed to inform the commissioner of a change of legal name or address within 30 days of the change. It is also noted that there are no factual allegations related to these alleged violations in the Complaint. Additionally, as will be addressed below under Code Violation VI, Petitioner failed to present evidence to establish that Respondent Paris Boyce failed to notify DIFS of the administrative action taken by MAIPF within 30 days of the final disposition of the matter in violation of MCL 500.1247(1). Therefore, the evidence does not establish that sanctions are justified related to the alleged violations of MCL 500.1206(5), MCL 500.1238(1), and MCL 500.1247(1).

As found above in Code Violations I and II, Petitioner met its burden of establishing that Respondent Paris Boyce failed to ensure Respondent PDB Investments complied with numerous provisions of the Code in violation of MCL 500.1205(2)(b) and that Respondents Paris Boyce and PDB Investments failed to use reasonable accounting methods in violation of MCL 500.1207(2). Thus, Petitioner has met its burden of establishing that the conduct that led to these violations justifies sanctions pursuant to MCL 500.1239(2)(e).

Finally, as will be addressed in further detail below for Code Violations VII through XV, Respondents' conduct also establishes that Respondents violated MCL 500.2003, MCL 500.2066(1), MCL 500.2271(a) and (b), MCL 500.3101a(5), MCL 500.4503(a), (b) and (g)(i)-(ii), and thus justifies sanctions pursuant to MCL 500.1239(2)(e).

Code Violation VI: MCL 500.1247(1)

For Code Violation VI of the Complaint, Petitioner alleges Respondent Paris Boyce knew or had reason to know that MCL 500.1247(1) required him to notify DIFS of any administrative action against him within 30 days of the final disposition of the matter. [Pet. Complaint, ¶ 38].

Here, Petitioner presented no evidence at the hearing that Respondent Paris Boyce failed to notify DIFS of the administrative action taken by MAIPF within 30 days of the final decision and order. Therefore, Petitioner failed to meet its burden of establishing that Respondent Paris Boyce violated MCL 500.1247(1).

Code Violation VII: MCL 500.2003

For Code Violation VII of the Complaint, Petitioner alleges Respondents violated MCL 500.2003 by engaging in trade practices and/or unfair methods of competition as defined by MCL 500.2005(a), MCL 500.2018, and MCL 500.2024. [Pet. Complaint, ¶ 40].

MCL 500.2003 provides in pertinent part:

- (1) A person²² shall not engage in a trade practice that is defined or described in this chapter or is determined under this chapter to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance.

First, the Complaint alleges that Respondents engaged in an unfair method of competition or an unfair or deceptive act or practice in the business of insurance as defined by MCL 500.2005(a) by indicating that one or more automobile insurance policies were 7-day policies and that customers were unable to file claims under them in violation of MCL 500.2003.

²² "Person" as used in this code includes an individual, insurer, company, association, organization, Lloyds, society, reciprocal or inter-insurance exchange, partnership, syndicate, business trust, corporation, and any other legal entity. MCL 500.114.

MCL 500.2005 provides in pertinent part:

An unfair method of competition and an unfair or deceptive act or practice in the business of insurance means the making, issuing, circulating, or causing to be made, issued, or circulated, an estimate, illustration, circular, statement, sales presentation, or comparison which by omission of a material fact or incorrect statement of a material fact does any of the following:

- (a) Misrepresents the terms, benefits, advantages, or conditions of an insurance policy.

As found above under Code Violation III, it was established by a preponderance of the evidence that Respondents did indicate that one or more insurance policies were 7-day policies that did not allow the filing of claims under these policies. More specifically, on February 28, 2019, Respondents sent a letter to V.F. which references her “7-Day policy” and that this policy “IS NOT MEANT FOR FILING CLAIMS!!”. [Pet. Exh. 9, Bates 0188]. Although the letter claims V.F. had a 7-day policy, the unrebutted and credible evidence presented by Petitioner establishes that no such policy is available through the MAIPF. [Tr. Vol. II, pp. 25-26, 34-35, 40]. Therefore, this conduct further shows that Respondents misrepresented the terms and conditions of the insurance policy for V.F., which constitutes an unfair method of competition and an unfair or deceptive act or practice in the business of insurance as defined by MCL 500.2005(a), in violation of MCL 500.2003.

Next, the Complaint alleges that Respondents engaged in an unfair method of competition or an unfair or deceptive act or practice in the business of insurance as defined by MCL 500.2018, by making false or fraudulent statements or representations on or relative to an application for an insurance policy regarding vehicle ownership, insureds’ addresses, ZIP Codes, and/or other false information in order to obtain a fee, commission, money, or other benefit, in violation of MCL 500.2003.

MCL 500.2018 provides:

An unfair method of competition and an unfair or deceptive act or practice in the business of insurance include making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from an insurer, agent, broker, or individual.

As found above under Code Violation III, it was established by a preponderance of the evidence that Respondents sent a letter to V.F. which references her “7-Day policy”

when no such policy existed through the MAIPF. [Pet. Exh. 9, Bates 0188; Tr. Vol. II, pp. 25-26, 34-35, 40; Pet. Closing, p. 5]. Additionally, Petitioner presented credible, un rebutted evidence to establish that Respondents Paris Boyce and PDB Investments were intentionally entering inaccurate zip codes on insurance applications for consumers with Farmers and Everest, resulting in the consumers being undercharged for premiums. [See Pet. Exh. 4 and 5]. Petitioner also credibly established that when a producer enters false information on an application to cause a reduction in a premium, this results in an inducement for the customer to purchase insurance from that producer, which in turn results in that insurance producer receiving a commission. [Tr. Vol. II, p. 150; Tr. Vol. III, p. 13]. Respondent Paris Boyce argues that reduced premiums do not lead to more sales volume and maintains that Respondents “actually sold way more policies for MAIPF and Farmers when Zip Codes were correct.” [Resp. Closing, p. 2]. However, Respondents failed to produce any evidence to substantiate this claim. Therefore, the undersigned finds that a preponderance of the evidence establishes that Respondents were intentionally reporting inaccurate zip codes for the purpose of obtaining a fee, commission, money or other benefit to which they would not have otherwise been entitled.

Furthermore, as found in Code Violation III, Petitioner established that Respondents Paris Boyce and PDB Investments utilized Respondent PDB Investment’s mailing address on a Policy Change Request for an insured on at least one occasion. [See Pet. Exh. 16, Bates 0278]. Investigator Irwin credibly established that by changing the mailing address to Respondent PDB’s mailing address, the cancellation refund would be submitted to Respondent Agency rather than the insured. [Tr. Vol. II, p. 73].

As found above under Code Violation IV, Petitioner also presented evidence to establish that Respondents were falsely claiming that individuals and/or vehicles were being added to existing policies by submitting Policy Change Requests for 22 different pre-existing policies. [See Pet. Exh. 26]. Each of the change requests identified the added driver as a “friend” and each of the added drivers and their vehicles were subsequently removed from the pre-existing policies only a few days later. [*Id.*]. Investigator Irwin credibly testified at the hearing that Respondents adding multiple friends and vehicles to one pre-existing policy and then cancelling a few days later as well as failing to ensure the policy holder had an insurable interest constitutes an intentional misrepresentation to the insurer. [Tr. Vol. III, pp. 99-101].

Moreover, as found under Code Violation IV, Petitioner presented evidence related to Respondents submitting applications for life insurance policies that falsely claimed to have been signed by the applicant. [See Pet. Exh. 6]. Petitioner also established that on multiple occasions, Respondents were using Respondent PDB Investments’ own bank account while representing that the account belonged to the insureds. [See Pet. Exh. 6, Bates 0106, 0111, 0117, 0123, 0128, 0133, 0138, 0143, 0148, 0153, 0158; Pet. Exh. 9,

Bates 0195]. Again, Petitioner presented credible and un rebutted evidence that Respondents would receive a commission from the insurance company for these life insurance policies and that knowingly receiving a commission from a form they know contains a false statement constitutes engaging in an unfair practice. [Tr. Vol. III, pp. 23-24].

As such, Respondents conduct of making false or fraudulent statements or representations on or relative to an application for an insurance policy in order to obtain a commission or some other benefit, which constitutes an unfair method of competition and an unfair or deceptive act or practice in the business of insurance as defined by MCL 500.2018, is a violation of MCL 500.2003.

Finally, the Complaint alleges that Respondents engaged in an unfair method of competition or an unfair or deceptive act or practice in the business of insurance as defined by MCL 500.2024 by providing Respondent PDB Investment's bank account to pay or offer to pay, directly or indirectly, customers' insurance premiums, in violation of MCL 500.2003.

MCL 500.2024 provides:

The following are defined as unfair methods of competition and unfair and deceptive acts or practices in the business of insurance:

Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of life insurance, life annuity or accident and health insurance, or agreement as to such contract other than as plainly expressed in the contract issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract; or giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance or annuity or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation, association, or partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the contract.

As found above under Code Violation IV, the evidence establishes that on multiple occasions, Respondents were using Respondent PDB Investments' own bank account to pay or offer to pay, directly or indirectly, insurance premiums. [See Pet. Exh. 6, Bates 0106, 0111, 0117, 0123, 0128, 0133, 0138, 0143, 0148, 0153, 0158; Pet. Exh. 9, Bates

0188]. This conduct further constitutes an unfair method of competition and an unfair or deceptive act or practice in the business of insurance as defined by MCL 500.2024, in violation of MCL 500.2003.

Code Violation VIII: MCL 500.2066(1)

For Code Violation VIII of the Complaint, Petitioner alleges that Respondents violated MCL 500.2066(1) by providing Respondent PDB Investment's bank account information for one or more insurance policies, informing one or more customers that Respondents would pay their payment(s), and by paying customers' payments and/or down payments for insurance premiums. [Pet. Complaint, ¶ 42].

MCL 500.2066(1) provides:

No insurer, by itself or any other party, and no insurance agent or solicitor, personally or by any other party, transacting any kind of insurance business shall offer, promise, allow, give, set off or pay, directly or indirectly, any rebate of, or part of, the premium payable on the policy or on any policy, or agent's commission thereon, or earnings, profit, dividends or other benefit founded, arising, accruing or to accrue thereon, or therefrom, or any other valuable consideration or inducement to or for insurance, on any risk in this state now or hereafter to be written, which is not specified in the contract of insurance; nor shall any such insurer, agent or solicitor, personally or otherwise, offer, promise, give, sell, or purchase any stocks, bonds, securities or any dividend or profits accruing or to accrue thereon, or other thing of value whatsoever as inducement to insurance or in connection therewith which is not specified in the policy contract.

Here, Petitioner presented evidence that Respondent PDB Investment's bank account was listed on 11 different insureds' life insurance policy applications with United. [Pet. Exh. 6]. By listing Respondent PDB Investment's bank account and routing number on the EFT Authorization Form, the premium would be drafted directly from Respondent PDB Investment's bank account. [See Pet. Exh. 6, Bates 0106]. As indicated above, Respondents provided no evidence at the hearing to establish that their customers had paid them in cash for these premiums. Thus, by paying the premium for the life insurance policy through Respondent PDB Investment's bank account, Respondent Paris Boyce and Respondent PDB Investments violated MCL 500.2066(1) of the Code.

Next, Petitioner presented credible evidence to establish that Respondents paid the insurance premium for V.F. As noted above, Respondents sent a letter to V.F. on February 28, 2019, which stated in pertinent part, "[b]ecause our Agency *paid the full*

40% Down on your 7-Day policy, the Agency's Refund Check is set up to be mailed to the Agency's P.O. Box. (Emphasis added). [Pet. Exh. 9, Bates 0188]. Again, while Respondent Paris Boyce attempted to argue that V.F. had given Respondents cash, Respondent Paris Boyce presented no evidence at the hearing to substantiate this assertion. Therefore, a preponderance of the evidence establishes that Respondents violated MCL 500.2066(1) by paying the down payment for V.F.'s insurance premium.

Finally, the undersigned notes that Petitioner's Complaint also alleges that Respondents paid the down payments on policies issued through MAIPF on behalf of the insureds listed in Paragraph 17 of the Complaint. However, Petitioner failed to present any evidence at the hearing to substantiate Respondents' payment of the down payment related to any of the insureds listed in Paragraph 17 of the Complaint. Without further evidence, Petitioner did not meet its burden of establishing a violation of MCL 500.2066(1), with respect to Paragraph 17 of the Complaint.

Code Violation IX: MCL 500.2271(a)

For Code Violation IX of the Complaint, Petitioner alleges that Respondents violated MCL 500.2271(a) by issuing and/or faxing certificates of insurance and/or equivalent documents to MDOS, by issuing and/or otherwise delivering documents that purported to alter or amend coverage, falsely claimed insurance coverage for individuals and/or vehicles, falsely claimed that documents originated from insurers, and/or falsely claimed that policy holders had added vehicles to their policies. [Pet. Complaint, ¶ 44].

MCL 500.2271(a) provides:

A person shall not do any of the following:

- (a) Issue or deliver a certificate of insurance that purports to affirmatively or negatively alter, amend, or extend the coverage provided by an insurance policy referenced in the certificate of insurance.

It is first noted that the Complaint alleges, in part, that Respondents presented certificates of insurance with false information to the MDOS for the following consumers: K.M.C, K.S., O.B.L., P.M.D., and J.L.H. [See Pet. Complaint, ¶ 7(B)(i)-(ii) and ¶ 8(A)-(D)]. Upon review of the record, Petitioner did not present any evidence to substantiate that Respondents submitted false information to the MDOS with relation to these specific consumers. Therefore, Petitioner did not meet its burden of establishing that Respondents provided false information for these particular consumers in violation of MCL 500.2271(a).

However, as found above under Code Violation IV, Petitioner did present credible evidence to establish that Respondents Paris Boyce and PDB Investments delivered certificates of insurance to the MDOS which purported to show the existence of a valid and effective automobile policy for Consumer T.C.'s 2005 Pontiac effective September 14, 2018. [Pet. Exh. 19, Bates 0320]. MDOS subsequently received a fax on January 7, 2019, purporting to be from Everest to confirm T.C.'s proof of insurance. [Pet. Exh. 19, Bates 0325]. As noted above, the faxed statement used the same language as the statement previously submitted by Respondent Paris Boyce, was unsigned by an Everest representative, and was received from a fax number for Community Short-Term Loans', a company owned by Respondent Paris Boyce. [Pet. Exh. 19, Bates 0316, 0320, 0325; Tr. Vol. III, pp. 31, 33-34]. On January 11, 2019, Colleen Miller, Underwriting Manager with Everest, confirmed that T.C.'s 2005 Pontiac was removed from the policy in May 2018 and that Everest had not received a request to add back the 2005 Pontiac on September 14, 2018. [Pet. Exh. 19, Bates 0329-0330].

Respondents do not dispute that the January 7, 2019 fax purporting to be from Everest was not in fact from Everest. Rather, Respondents claim that T.C. created this falsified document. [Resp. Closing, p. 9; Pet. Exh. 19, Bates 0325]. As addressed above, the undersigned does not find Respondents' assertions regarding T.C.'s creation of the document to be credible. Since Petitioner has established by a preponderance of the evidence that Respondent Paris Boyce and Respondent PDB Investments delivered a certificate of insurance that purports to affirmatively extend coverage that did not exist at the time T.C. sought registration, such conduct constitutes a violation of MCL 500.2271(a).

Similarly, Petitioner also presented credible, unrebutted evidence as it relates to Respondents delivering certificates of insurance to MDOS for Consumer S.A. that purport to extend insurance coverage for S.A.'s license plate tag renewals. Here, Petitioner established that Respondent D'Lante Boyce faxed the purported certificates of insurance to MDOS on March 18, 2019. [Pet. Exh. 19, Bates 0337-0339]. Included in this fax was a written statement from Respondent Paris Boyce representing that S.A. had insurance coverage effective August 8, 2018. [Pet. Exh. 19, Bates 0338]. On or about March 19, 2019, the MDOS learned that S.A.'s insurance policy canceled on August 8, 2018, the same date Respondents alleged was the effective date of S.A.'s policy. [Pet. Exh. 20, Bates 0334, 0337-0339]. Respondents offered no evidence to rebut the information Petitioner received regarding S.A.'s policy. As such, Petitioner met its burden of establishing by a preponderance of the evidence that Respondents delivered a certificate of insurance that purports to affirmatively extend coverage that did not exist at the time S.A. sought registration in violation of MCL 500.2271(a).

Code Violation X: MCL 500.2271(b)

For Code Violation X of the Complaint, Petitioner alleges that Respondents violated MCL 500.2271(b) by preparing and/or faxing to the MDOS certificates of insurance and/or equivalent documents containing false or misleading information by claiming insurance coverage for individuals and/or vehicles, falsely claiming that documents originated from insurers, and/or that policy holders had added vehicles to their policies. [Pet. Complaint, ¶ 46].

MCL 500.2271(b) provides in pertinent part:

A person shall not do any of the following:

- (b) Prepare or issue a certificate of insurance that contains any false or misleading information concerning an insurance policy referenced in the certificate of insurance.

As found above under Code Violation IX, the evidence establishes that Respondents faxed to the MDOS certificates of insurance containing false and misleading information regarding insurance coverage for Consumers T.C. and S.A. and falsely claimed the effective dates for these policies. [See Pet. Exh. 19, Bates 0320, 0337-0339]. Additionally, as found under Code Violation IX, the evidence further establishes that Respondent Paris Boyce falsely claimed that documents verifying insurance for T.C. originated from Everest. [Pet. Exh. 19, Bates 0325]. Based on a preponderance of the evidence, this conduct further shows that Respondents prepared and/or faxed to the MDOS certificates of insurance and/or equivalent documents containing false or misleading information by claiming insurance coverage for individuals and/or vehicles, falsely claiming that documents originated from insurers, and/or that policy holders had added vehicles to their policies in violation of MCL 500.2271(b).

Code Violation XI: MCL 500.3101a(5)

For Code Violation XI of the Complaint, Petitioner alleges that Respondents violated MCL 500.3101a(5) by issuing altered, fraudulent, or counterfeit certificates of insurance that falsely claimed to provide coverage for vehicles and individuals, falsely claimed to add vehicles or individuals to existing policies, and falsely claimed that documents originated from insurers. [Pet. Complaint, ¶ 48].

MCL 500.3101a(5) provides:

- A person who supplies false information to the secretary of state under this section or who issues or uses an altered, fraudulent, or counterfeit

certificate of insurance is guilty of a misdemeanor punishable by imprisonment for not more than 1 year or a fine of not more than \$1,000.00, or both.

As found above under Code Violation IX, the evidence establishes that Respondents faxed to the MDOS certificates of insurance containing false and misleading information regarding insurance coverage for Consumers T.C. and S.A. and falsely claimed that these policy holders had added vehicles to their policies. [See Pet. Exh. 19, Bates 0320, 0337-0339]. Additionally, as found under Code Violation IX, the evidence further establishes that Respondents falsely claimed that documents verifying insurance for T.C. originated from Everest. [Pet. Exh. 19, Bates 0325]. Based on a preponderance of the evidence, this conduct further shows that Respondents supplied false information to the secretary of state in violation of MCL 500.3101a(5).

Code Violation XII: MCL 500.4503(a)

For Code Violation XII of the Complaint, Petitioner alleges that Respondents violated MCL 500.4503(a) by presenting, preparing, and/or submitting applications for insurance, certificates of insurance, and/or equivalent documents containing false information and/or misrepresentations with the intent to injure, defraud, or deceive, including but not limited to the following actions²³:

- A. Presenting, preparing, and/or submitting applications for insurance containing Respondent PDB Investment's bank account information for customers' insurance policies;
- B. Presenting, preparing, and/or submitting applications for insurance containing incorrect ZIP Codes;
- C. Presenting, preparing, and/or submitting applications for insurance containing false, misleading, and/or fraudulent information to an insurer;
- D. Presenting, preparing, and/or submitting applications for insurance containing false or fraudulent statements on or relative to an application for an insurance policy;
- E. Presenting, preparing, and/or submitting applications for insurance falsely claiming that individuals and vehicles had been added to existing policies;

²³ Pet. Complaint, ¶ 50(A)-(K).

- F. Presenting, preparing, and/or submitting applications for insurance falsely claiming that one or more insurance policies were 7-day policies that did not allow customers to file claims;
- G. Presenting, preparing, and/or submitting applications for insurance falsely claiming that customers had endorsed refund checks when Respondents had endorsed the checks;
- H. Presenting, preparing, and/or submitting applications for insurance falsely claiming to alter or amend coverage;
- I. Presenting, preparing, and/or submitting applications for insurance that Respondents falsely claimed were from insurers;
- J. Presenting, preparing, and/or submitting applications for insurance falsely claiming that those applications had been signed by the applicant; and
- K. Presenting, preparing, and/or submitting applications for insurance falsely claiming insurance coverage for individuals and/or vehicles.

MCL 500.4503(a) provides:

A fraudulent insurance act includes, but is not limited to, acts or omissions committed by any person who knowingly, and with an intent to injure, defraud, or deceive:

- (a) Presents, causes to be presented, or prepares with knowledge or belief that it will be presented to or by an insurer or any agent of an insurer, or any agent of an insurer, reinsurer, or broker any oral or written statement knowing that the statement contains any false information concerning any fact material to an application for the issuance of an insurance policy.

Related to Respondents' conduct set forth in Paragraph 50(A), (B), (C), (D), and (F) of the Complaint, as found above under Code Violations III and IV, it was established by a preponderance of the evidence that Respondents prepared applications for insurance containing Respondent PDB Investment's bank account information for customers' insurance policies; intentionally prepared and submitted applications with inaccurate zip codes; prepared and submitted applications that contained false, misleading, and/or fraudulent information to an insurer; prepared and submitted applications containing false or fraudulent statements on or relative to an application for an insurance policy; and prepared and submitted applications falsely claiming that one or more insurance policies were 7-day policies that did not allow customers to file claims. [See Pet. Exh. 4, 5, 6, 9, and 26]. Based on this conduct engaged in by Respondents, the evidence

further establishes that Respondents presented, prepared, and/or submitted applications for insurance, certificates of insurance, and/or equivalent documents containing false information and/or misrepresentations with the intent to injure, defraud, or deceive in violation of MCL 500.4503(a).

As to Respondents' conduct set forth in Paragraph 50(E) and (K) of the Complaint, as found above under Code Violation IV, Petitioner presented evidence to establish by a preponderance of the evidence that Respondents were falsely claiming that individuals and/or vehicles were being added to existing policies and falsely claiming insurance coverage for individuals and/or vehicles. [See Pet. Exh. 26]. The evidence also establishes that Respondents adding of "friends" and vehicles of "friends" to pre-existing policies, without verifying an insurable interest, and then cancelling those policies just a few days later, was done with the intent to defraud or deceive. [Tr. Vol. III, pp. 99-101]. Based on this conduct engaged in by Respondents, the evidence establishes that Respondents presented, prepared, and/or submitted applications for insurance, certificates of insurance, and/or equivalent documents containing false information and/or misrepresentations with the intent to injure, defraud, or deceive in violation of MCL 500.4503(a).

Regarding Respondents' alleged conduct set forth in Paragraph 50(G) of the Complaint, Petitioner did not present evidence to establish that Respondents falsely claimed that customers had endorsed refund checks when Respondents had endorsed the checks. Therefore, Petitioner failed to meet its burden of establishing that Respondents violated MCL 500.4503(a) with respect to the alleged conduct in Paragraph 50(G) of the Complaint.

Related to Respondents' conduct set forth in Paragraph 50(H) of the Complaint, as found above under Code Violation IV and IX, Petitioner presented evidence that Respondents were presenting applications for insurance that falsely claimed to alter or amend coverage for Consumers T.C. and S.A. by purporting to show coverage that did not exist at the time these individuals sought to register their vehicles with MDOS. [See Pet. Exh. 19, Bates 0320, 0325, 0337-0339]. Additionally, as found under Code Violation IX, Respondents were also found to have prepared written statements they falsely claimed were from Everest for Consumer T.C., as alleged in Paragraph 50(I) of the Complaint. [Pet. Exh. 19, Bates 0316, 0320, 0325; Tr. Vol. III, pp. 31, 33-34]. Based on this conduct engaged in by Respondents, the evidence further establishes that Respondents presented, prepared, and/or submitted applications for insurance, certificates of insurance, and/or equivalent documents containing false information and/or misrepresentations with the intent to injure, defraud, or deceive in violation of MCL 500.4503(a).

Regarding the alleged conduct set forth in Paragraph 50(J) of the Complaint, as found above in Count IV of the Complaint, Petitioner presented evidence related to Respondents submitting applications for life insurance that falsely claimed to have been signed by the applicant. [See Pet. Exh. 6]. Based on this conduct engaged in by Respondents, the evidence further establishes that Respondents presented, prepared, and/or submitted applications for insurance containing false information and/or misrepresentations with the intent to injure, defraud, or deceive in violation of MCL 500.4503(a).

Code Violation XIII: MCL 500.4503(b)

For Code Violation XIII of the Complaint, Petitioner alleges that Respondents violated MCL 500.4503(b) by preparing and/or helping to prepare written or oral statements containing false information with the intent to present them to an insurance company in connection with or in support of an application for insurance. [Pet. Complaint, ¶ 52].

- A. Preparing and/or helping to prepare written or oral statements containing Respondent PDB's bank account information for customers' insurance policies;
- B. Preparing and/or helping to prepare written or oral statements containing incorrect ZIP Codes;
- C. Preparing and/or helping to prepare written or oral statements containing false, misleading, and/or fraudulent information to an insurer;
- D. Preparing and/or helping to prepare written or oral statements containing false or fraudulent statements on or relative to an application for an insurance policy;
- E. Preparing and/or helping to prepare written or oral statements falsely claiming that individuals and vehicles had been added to existing policies;
- F. Preparing and/or helping to prepare written or oral statements falsely claiming that one or more insurance policies were 7-day policies that did not allow customers to file claims;
- G. Preparing and/or helping to prepare written or oral statements falsely claiming that customers had endorsed refund checks when Respondents had endorsed the checks;
- H. Preparing and/or helping to prepare written or oral statements falsely claiming to alter or amend coverage;

- I. Preparing and/or helping to prepare written or oral statements that Respondents falsely claimed were from insurers;
- J. Preparing and/or helping to prepare applications for insurance falsely claiming that those applications had been signed by the applicant; and
- K. Preparing and/or helping to prepare written or oral statements falsely claiming insurance coverage for individuals and/or vehicles

MCL 500.4503 provides in pertinent part:

A fraudulent insurance act includes, but is not limited to, acts or omissions committed by any person who knowingly, and with an intent to injure, defraud, or deceive:

* * *

- (b) Prepares or assists, abets, solicits, or conspires with another to prepare or make an oral or written statement that is intended to be presented to or by any insurer in connection with, or in support of, any application for the issuance of an insurance policy, knowing that the statement contains any false information concerning any fact or thing material to the application.

Upon review of the previous section for Code Violation XII, the alleged conduct by Respondents is the same. Therefore, Respondents conduct as stated above in Paragraphs 52(A) through (F) and (H) through (K) of the Complaint are proven by a preponderance of the evidence. Based on this conduct, Petitioner has established that Respondents prepared and/or helped to prepare written or oral statements containing false information with the intent to present them to an insurance company in connection with or in support of an application for insurance in violation of MCL 500.4503(b).

Regarding Respondents' alleged conduct set forth in Paragraph 52(G) of the Complaint, Petitioner did not present evidence to establish that Respondents falsely claimed that customers had endorsed refund checks when Respondents had endorsed the checks. Therefore, Petitioner failed to meet its burden of establishing that Respondents violated MCL 500.4503(b) with respect to the conduct alleged in Paragraph 52(G) of the Complaint.

Code Violation XIV and Code Violation XV: MCL 500.4503(g)(i)-(ii)

For Code Violations XIV and XV of the Complaint, Petitioner alleges that Respondents violated MCL 500.4503(g)(i) and (g)(ii) by making false representations on or relative to applications for insurance, failing to remit funds to an insurer, knowingly using the wrong

zip code, and presenting the false information to an insurer, thereby diverting the funds of an insurer in connection with the transaction of insurance or reinsurance and in connection with the conduct of business activities by an insurer. [Pet. Complaint, ¶¶ 54, 56].

MCL 500.4503 provides in pertinent part:

A fraudulent insurance act includes, but is not limited to, acts or omissions committed by any person who knowingly, and with an intent to injure, defraud, or deceive:

* * *

(g) Diverts, attempts to divert, or conspires to divert funds of an insurer or other persons in connection with any of the following:

- (i) The transaction of insurance or reinsurance.
- (ii) The conduct of business activities by an insurer.

As found above under Code Violations III and IV, Petitioner presented evidence to establish by a preponderance of the evidence that Respondents were making false representations on or relative to applications for insurance, failing to remit funds to an insurer, knowingly using the wrong zip code, and presenting false information to an insurer. [See Pet. Exh. 4, 5, 6, and 26]. Based on this conduct engaged in by Respondents, the evidence further establishes that Respondents thereby diverted the funds of an insurer in connection with the transaction of insurance or reinsurance and in connection with the conduct of business activities by an insurer in violation of MCL 500.4503(g)(i) and (g)(ii).

Sanctions

Petitioner counsel recommended “that the insurance producer licenses of all Respondents be revoked as well as any other remedies that this Tribunal and the Director of DIFS deems fit.” [Pet. Closing, p. 18].

As stated above, a preponderance of evidence establishes that Respondents violated the Code and are therefore subject to sanctions. The appropriate penalty and/or sanctions are left to the DIFS Director or the Director’s designee to determine.

Proposed Decision

Based on the above Findings of Fact and Conclusions of Law, the Tribunal proposes that the Director issue a Final Order finding Respondent Paris Boyce in violation of MCL 500.1205(2)(b), finding Respondents Paris Boyce and PDB Investments in violation of MCL 500.1207(2), and finding Respondents Paris Boyce, PDB Investments, and D'Lante Boyce in violation of MCL 500.2003, MCL 500.2066(1), MCL 500.2271(a) and (b), MCL 500.3101a(5), and MCL 500.4503(a), (b), and (g)(i) and (ii), and impose an appropriate penalty and/or sanction upon Respondents under MCL 500.150(1), MCL 500.1239(1)(c), (f), and (g), MCL 500.1239(2)(e), MCL 500.1239(5), MCL 500.1244(1), MCL 500.2038(1), and MCL 500.2277.



Lindsay Wilson
Administrative Law Judge

Exceptions

The parties may file Exceptions to this Proposal for Decision within twenty-one (21) days after it is issued and entered. An opposing party may file a Response to Exceptions within fourteen (14) days after initial Exceptions are filed (see computation of filing time at Mich Admin Code, [R 792.10104](#)). For any Exceptions and Responses to Exceptions, a party must:

- 1) State the **case name and docket number** as shown on the first page of this Proposal for Decision;
- 2) File with the Michigan Office of Administrative Hearings and Rules-General Adjudication, by **e-mail (preferred): MOAHR-GA@michigan.gov**; **fax: 517-763-0148**; **regular mail: MOAHR-GA, P.O. Box 30695, Lansing, Michigan 48909-8195**; or **overnight carrier delivery (UPS, FedEx, DHL): MOAHR-GA, c/o Department of Licensing and Regulatory Affairs, Mail Services, 2407 N. Grand River Avenue, Lansing, Michigan 48906**; and
- 3) **Serve a copy on all parties** to the proceeding at the email/regular mail addresses shown on the attached Proof of Service.

Notice to Agency to Provide MOAHR with Subsequent Agency or Court Orders

The state agency that is a party to this matter, and/or referred this matter to MOAHR, shall serve MOAHR with any subsequent orders entered as a result of this ALJ's

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decision or proposed decision, including but not limited to the agency's final order, order to remand the matter to MOAHR for further proceedings, or order on appeal, as soon as practicable following entry of the order to:

Michigan Office of Administrative Hearings and Rules, General Adjudication, by **email (preferred)** to: MOAHR-GA@michigan.gov; **or by regular mail** to: MOAHR-GA, P.O. Box 30695, Lansing, Michigan 48909-8195.

See: Mich Admin Code, R 792.10120(2)(i).