

**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,

v

**Enforcement Case No. 24-17871**

**Mundhir Abdus-Shaheed**  
System ID No. 126063

Respondent.

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**ISSUED AND ENTERED**

**October 21, 2024**

**by Joseph A. Garcia**

**Special Deputy Director and General Counsel**

**FINAL DECISION**

**I. INTRODUCTION**

On August 19, 2024, the Department of Insurance and Financial Services (“DIFS”) issued and served upon Mundhir Abdus-Shaheed (“Respondent”) a complaint and a statement of factual allegations (together, the “Complaint”). The Complaint contained a section captioned “Opportunity for Hearing,” which explained Respondent’s entitlement to an opportunity for a hearing “before the imposition of fines, restitution, or other available penalties.” The Complaint conspicuously stated that, to request an administrative hearing, Respondent must file a request for hearing within 21 days. The Complaint also conspicuously stated that the failure to request a hearing “may result in the facts asserted in this complaint being accepted as true by the director and the immediate issuance of an order imposing sanctions against [Respondent] without further opportunity to be heard.” The Complaint furthermore provided a DIFS mail address and clarified that “all requests for hearing or the response to the consumer complaint must be received by DIFS no later than[] Thursday, September 12, 2024.” Respondent did not submit a request for hearing as instructed in the Complaint. Given Respondent’s failure to request a hearing, the unchallenged allegations in the Complaint are accepted as true. Based upon the Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

**II. FINDINGS OF FACT**

The unchallenged factual allegations in the Complaint are accepted as true and restated below.

1. Respondent holds an active resident insurance producer license with a life insurance qualification.
2. On or about May 14, 2023, the DIFS received a complaint from a consumer (the "Consumer Complainant") stating that she contacted Respondent to request that her policy be immediately cancelled. Respondent's supervisor returned the call and informed Consumer Complainant that Respondent would call her. Respondent's supervisor also assured the Consumer Complainant that no premium money would be taken from her account. The Consumer Complainant stated that Respondent did not contact her. Subsequently, premium payments were drawn from the Consumer Complainant's account. The Consumer Complainant has requested a cancellation of the policy and a refunding of the payments that were drawn from her account without her authorization.
3. On May 14, 2023, DIFS staff sent an inquiry (the "May 14 DIFS Inquiry") to Respondent's business email address of record. No response was received.
4. On June 13, 2024, DIFS staff emailed a Notice of Opportunity to Show Compliance (the "NOSC") to Respondent's business email address of record, which he is required to keep current under the Michigan Insurance Code, 1956 PA 218, MCL 500.100 *et seq.* (the "Code"). Additionally, DIFS staff mailed a copy of the NOSC to Respondent at his mailing address of record. No response was received.
5. On June 21, 2024, DIFS staff telephoned Respondent at his telephone number of record. A voicemail message was left, but no return call was received.
6. On June 27, 2024, DIFS staff emailed the NOSC to Respondent's personal address on record, which he is required to keep current under the Code. No response was received.

### III. CONCLUSIONS OF LAW

The unchallenged conclusions of law stated and implied in the Complaint are accepted as true and are restated below.

1. As a licensee, Respondent knew or had reason to know that Section 249(a) of the Code, MCL 500.249(a), empowers DIFS to examine records of licensees "[f]or the purposes of ascertaining compliance with the provisions of the insurance laws of the state[.]"
2. By failing to respond to the DIFS inquiries, Respondent violated Section 249(a) of the Code, MCL 500.249(a).
3. As a licensee, Respondent knew or had reason to know that Section 1239(2)(e) of the Code, MCL 500.1239(2)(e), provides that he may be sanctioned for violating any insurance law or regulation of the Director of DIFS.
4. Section 150(1) of the Code, MCL 500.150(1), provides:
  - (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 26,1 "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.

5. Section 1244(1) of the Code, MCL 500.1244(1), provides:

(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.


6. Respondent is properly subject to sanctions under Sections 150 and 1244 of the Code, MCL 500.150 and 500.1244.

#### IV. ORDER

Therefore, it is **ORDERED** that:

- A. Pursuant to Sections 150 and 1244 of the Code, MCL 500.150 and 500.1244, Respondent shall **CEASE AND DESIST** from violating the Code in the manner described in the Complaint.
- B. Pursuant to Sections 150 and 1244 of the Code, MCL 500.150 and 500.1244, Respondent shall pay a fine of \$1,000.00 within 30 days.
- C. Respondent shall truthfully and completely respond in writing to the May 14 DIFS Inquiry within 30 days.
- D. Respondent's resident insurance producer license (System ID No. 1262063) is **SUSPENDED** until Respondent has responded to the May 14 DIFS Inquiry and paid the \$1,000.00 fine as required under this Order.
- E. After 30 days, if Respondent fails either to respond truthfully and completely in writing to the May 14 DIFS Inquiry or to pay a fine of \$1,000.00, Respondent's resident insurance producer license (System ID No. 1262063) shall be **REVOKED**.

Anita G. Fox, Director  
For the Director:

  
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Joseph A. Garcia  
Special Deputy Director and General Counsel