

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

Marcus Nicholas Forrester
DBA Home Blinds Of America Corp.
5002 Sinope Way
Beltsville, Maryland 20705

BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2018-01-022

Fraud Division File No.: R-2018-0427A

CONSENT ORDER

The Maryland Insurance Administration (“MIA”) and Marcus Nicholas Forrester (“Respondent”), owner of Home Blinds Of America Corporation, pursuant to §§ 2-108 and 2-204 of the Insurance Article, Md. Code Ann. (2017 Repl. Vol. & Supp.) (“the Insurance Article”), enter into this Consent Order to resolve the matter before the Maryland Insurance Administration (“Administration”).

I. Explanatory Statement & Findings of Fact

1. A “certificate of insurance” (“COI”) is a document that is prepared and provided by an insurer or insurance producer as evidence of property or casualty insurance coverage. Insurance Article § 19-116(a)(3)(i). Section 19-116(g) of the Insurance Article states that “a person may not prepare or issue a certificate of insurance that the person knows contains false or misleading information or that purports to amend, alter, or extend the coverage provided by the policy of insurance referenced in the certificate.”

2. The COI is an important document in that it serves as evidence to customers, contractors or other third parties that the insured has obtained insurance. It indicates that the

business or individual named as the insured has the financial resources available to protect those who may come to harm through the insured's negligence.

3. Respondent is the owner of Home Blinds Of America Corporation ("Home Blinds"), located at 5002 Sinope Way, #101, Beltsville Maryland 20705.

4. Respondent was hired as a sub-contractor for Embree Construction Group, Inc. ("Embree"), and on March 14, 2017, Embree's Director of Estimating ("D.E.") emailed Respondent, requesting a copy of Respondent's COI prior to starting any work.

5. On March 15, 2017, Respondent replied to the D.E.'s email and attached a copy of a COI reflecting Home Blinds had active workers' compensation and commercial liability insurance until calendar year 2018. The COI was dated March 15, 2017. The certificate holder was identified as Embree but the "Description of Operations" field named EllisDale Construction, LLC ("EllisDale"). The insurance producer was identified as Connie Phillips Insurance, Inc. ("C.P.I.") and the insurer was identified as National Grange Mutual Insurance Company ("NGM").

6. On March 16, 2017, D.E. replied to Respondent's email, and requested that the Description of Operations field be changed to Embree instead of EllisDale.

7. On June 21, 2017, the Construction Administrator ("C.A.") for Embree emailed C.P.I. and requested to have the COI corrected to reflect Embree instead of EllisDale in the Description of Operations field. A C.P.I. representative advised that Respondent's NGM insurance policies had canceled and the COI was fraudulent.

8. On June 22, 2017, the agent for C.P.I. notified NGM of the fraudulent COI.

9. Section 27-802(a)(1) of the Maryland Insurance Article states:

An authorized insurer, its employees, fund producers, or insurance producers ,... who in good faith has cause to believe that insurance fraud has been or is being committed shall report the suspected insurance fraud in writing to the Commissioner, the Fraud Division, or the appropriate federal, State, or local law enforcement authorities.

NGM, having a good faith belief that Respondent committed insurance fraud, referred the matter to the Maryland Insurance Administration, Fraud Division.

10. MIA verified Home Blinds of America Corporation is an active Maryland business and Respondent is the resident agent.

11. On November 20, 2017, an MIA investigator contacted C.P.I. A representative advised that she examined the COI submitted to Embree by Respondent and noticed the font type was different from an actual COI issued by C.P.I. Further, Respondent's workers' compensation and commercial liability policies had been canceled in 2016. Respondent did not have insurance with NGM through C.P.I. as reflected on the fraudulent COI.

12. On November 30, 2017, an MIA investigator interviewed the C.A. for Embree. She provided email correspondence, confirming she had contacted C.P.I. to have the description of operation field changed from EllisDale to Embree. She later learned the COI Respondent submitted was false.

13. On December 4, 2017, an MIA investigator interviewed an NGM representative who confirmed that Respondent's NGM workers' compensation and commercial liability policies canceled in 2016.

14. On November 30, 2017, an MIA investigator queried the Maryland Workers' Compensation Verification online site and learned that the Respondent's workers' compensation coverage ended on June 20, 2016, and has not been reinstated.

II. Violation(s)

15. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Respondent violated Maryland's insurance laws:

16. § 19-116(g)

A person may not prepare or issue a certificate of insurance that the person knows contains false or misleading information or that purports to amend, alter, or extend the coverage provided by the policy of insurance referenced in the certificate.

17. § 27-406(5)

It is a fraudulent insurance act for a person:

(5) with intent to deceive, knowingly to exhibit a false account, document, or advertisement about the affairs of an insurer.

18. § 27-408(c)

(1) In addition to any criminal penalties that may be imposed under this section, on a showing by clear and convincing evidence that a violation of this subtitle has occurred, the Commissioner may:

(i) impose an administrative penalty not exceeding \$25,000 for each act of insurance fraud; and

* * *

(2) In determining the amount of an administrative penalty, the Commissioner shall consider:

- (i) the nature, circumstances, extent, gravity, and number of violations;
- (ii) the degree of culpability of the violator;
- (iii) prior offenses and repeated violations of the violator; and
- (iv) any other matter that the Commissioner considers appropriate and relevant.

19. By the conduct described herein, Respondent knowingly violated § 19-116(g) and § 27-406(5). As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

20. Respondent submitted a fraudulent COI to obtain subcontract work with another company in the state of Maryland. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, the MIA has determined that five payments of \$500.00 for a total of \$2,500.00 is an appropriate penalty. Payments are due as follows:

\$500.00 is due on March 1, 2018;
\$500.00 is due on April 2, 2018;
\$500.00 is due on May 1, 2018;
\$500.00 is due on June 1, 2018; and
\$500.00 is due on July 2, 2018.

21. This Order does not preclude any potential or pending action by any other person, entity, or government authority, regarding any conduct by Respondent including the conduct that is the subject of this Order.

22. The parties agree to this Order to avoid litigation and to fully and finally resolve all issues stated in this Order. Respondent admits to the conduct described above, but denies any liability to any party because of his actions.

Order

WHEREFORE, for the reasons set forth above, it is this 28th day of February 2018, **ORDERED** by the Maryland Insurance Commissioner and **CONSENTED** to by Respondent that:

A. Marcus N. Forrester shall pay an administrative penalty of two thousand five hundred dollars (\$2,500.00) by July 2, 2018.

B. The executed Consent Order and administrative penalty shall be sent to the attention of: Maryland Insurance Administration, Steve Wright, Associate Commissioner, Fraud Division,

200 St. Paul Place, Suite 2700, Baltimore, MD 21202 and shall identify the case by number (R-2018-01-022) and name (Marcus Forrester) within 60 days of the date of this Consent Order.

C. Respondent shall immediately file a letter with Debra Sawyer, Hearings and Appeals Coordinator, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202 withdrawing his request for a hearing.

D. The parties acknowledge that this Consent Order contains the entire agreement between the parties relating to the administrative actions addressed herein and that this Consent Order resolves all matter relating to the factual assertions and agreements contained herein. All time frames set forth in the Consent Order may be amended or modified only by subsequent written agreement of the parties.

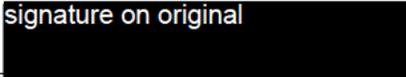
E. Respondent had the opportunity to have this Order reviewed by legal counsel of his choosing, and he is aware of the benefits and obligations incurred by the execution of the Consent Order. Respondent waives any and all rights to any hearing or judicial review of this Consent Order to which it would otherwise be entitled under the Insurance Article with respect to any of the determinations made or actions ordered by this Consent Order.

F. For the purposes of the Administration and for any subsequent administrative or civil proceedings concerning Respondent, whether related or unrelated to the foregoing paragraphs, and with regard to requests for information about the Respondent made under the Maryland Public Information Act, or properly made by governmental agencies, this Consent Order will be kept and maintained in the regular course of business by the Administration. For the purposes of the business of the Administration, the records and publications of the Administration will reflect this Consent Order.

G. Nothing herein shall be deemed a waiver of the Commissioner's right to proceed in an administrative action or civil action to enforce the terms of its Order. Failure to fully comply with the terms of this Consent Order may subject Respondent to further legal and/or administrative action.

H. This Consent Order shall go into effect upon signing by the Commissioner or his designee, and is a Final Order of the Commissioner under § 2-204 of the Insurance Article.

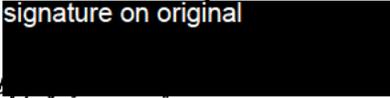
ALFRED W. REDMER, JR.
Insurance Commissioner

BY: 
STEVEN WRIGHT 
Associate Commissioner
Insurance Fraud Division

RESPONDENT'S CONSENT

Respondent Marcus Forrester CONSENTS to the representations made in, and terms of, this Consent Order. On behalf of Respondent, the undersigned hereby affirms that he or she has taken all necessary steps to obtain the authority to bind Respondent to the obligations stated herein and does, in fact, have the authority to bind Respondent to the obligations stated herein.

2/19/18
Date


Marcus Forrester