

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
1511 PONTIAC AVENUE, BUILDINGS 68 AND 69  
CRANSTON, RHODE ISLAND 02920**

<b>IN THE MATTER OF:</b>	:	
	:	
<b>MICHAEL DERDERIAN,</b>	:	<b>DBR No. 08-I-0036</b>
	:	
<b>RESPONDENT.</b>	:	

**ORDER OF DISMISSAL**

This matter came for a prehearing conference on March 5, 2008 pursuant to: the Department of Business Regulation's ("Department") Order to Show Cause, Notice of Hearing, and Appointment of Hearing Officer ("Order to Show Cause") issued to Michael Derderian ("Respondent") based on Respondent's criminal conviction and request for waiver under 18 U.S.C. § 1033 and the Department's denial of his insurance producer license pursuant to R.I. Gen. Laws § 27-2.4-14. A hearing was never convened on this matter and the matter was held in abeyance pending completion of Respondent's imprisonment. On June 23, 2011, the undersigned Hearing Officer received an email from Department counsel notifying the undersigned Hearing Officer that it was requesting to withdraw its Order to Show Cause in this matter based on the attached Consent Agreement. Based on the foregoing, the Hearing Officer respectfully recommends that the above-captioned matter be dismissed.

Dated: July 28, 2011

NSavage  
Neena Sinha Savage  
Hearing Officer

I have read the Hearing Officer's Decision and Recommendation in this matter, and I hereby

ADOPT  
 REJECT  
 MODIFY

the Decision and Recommendation.

Dated: 29 July 2011

Paul McGreevy  
Paul McGreevy  
Director

Order No. 11-061

**NOTICE OF APPELLATE RIGHTS**

**THIS ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT ITSELF DOES NOT STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.**

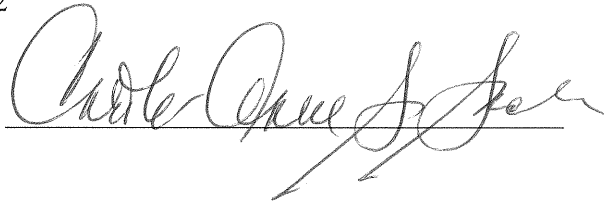
**CERTIFICATION**

I hereby certify that on this 1<sup>st</sup> day of ~~July~~ <sup>August</sup> a copy of this Order was sent by first class mail postage prepaid and certified mail to

Kathleen M. Hagerty, Esq.  
Flaherty & Lawrence  
70 Jefferson Blvd.  
Warwick, RI 02888

and by hand delivery to

Elizabeth Kelleher Dwyer, Esq.  
Department Of Business Regulation  
1511 Pontiac Avenue, Buildings 69-2  
Cranston, Rhode Island 02920



Charles James S. Jones

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
1511 PONTIAC AVENUE, BLDG. 69-2  
CRANSTON, RHODE ISLAND 02920**

\_\_\_\_\_  
**IN THE MATTER OF:**

**MICHAEL DERDERIAN**

**RESPONDENT.**  
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**DBR No. 08-I-0036**

**CONSENT AGREEMENT**

This Consent Agreement is hereby entered into between the Department of Business Regulation (“Department”) and Michael Derderian (“Respondent”) as follows:

1. Respondent is the holder of Rhode Island resident insurance producer license number 1085762 with Life, Health, Accident & Sickness and Variable Life and Variable Annuity lines of authority.
2. Respondent has been continuously licensed as an insurance producer from 1981 to the present. During that period of time he has not held the authority to write property and casualty lines of insurance and the Department has not received any consumer complaints concerning Respondent’s performance as an insurance producer.
3. On September 28, 2006 Respondent was convicted of 100 counts of manslaughter. He was sentenced concurrently to fifteen (15) years, four (4) to serve, eleven (11) suspended and three (3) years probation.
4. The above referenced convictions arose out of fire that occurred on February 20, 2003 at a facility operated by Derco, LLC. At the time of the fire Respondent was a principal of Derco LLC, a Rhode Island limited liability corporation.

5. On November 8, 2007 Respondent filed a request for waiver under 18 U.S.C. § 1033 which provides that “[a]ny individual who has been convicted of any criminal felony involving dishonesty or a breach of trust” may not participate in the business of insurance without a waiver from the home state insurance department.

6. On December 20, 2007 this request was rejected by the Department and correspondence was sent to Respondent informing him of the same and that the Department intended to move to deny renewal of his insurance producer’s license pursuant to R.I. Gen. Laws § 27-2.4-14.

7. On January 3, 2008, Respondent made a timely request for hearing pursuant to R.I. Gen. Laws § 27-2.4-14(b).

8. Derco LLC was required, by the terms of R.I. Gen. Laws § 28-33-36, to have workers compensation insurance covering its employees. Between March 22, 2000 and February 20, 2003 Derco LLC failed to maintain workers compensation insurance on its employees at the location where the fire occurred. Derco LLC had a workers compensation insurance policy on other employees and asserts that it was under the mistaken belief that the parttime employees were not required to be covered by workers compensation insurance. Workers Compensation insurance is a property and casualty line of insurance.

9. The Department of Labor and Training, which has jurisdiction over R.I. Gen. Laws § 28-33-36, has taken administrative action against Respondent and all issues concerning violations of that statute have been addressed through those proceedings.

10. Respondent asserts that the criminal felony of which he was convicted did not involve dishonesty or a breach of trust and, therefore, the provisions of 18 U.S.C. § 1033 are not applicable.

WHEREFORE, based on the foregoing, Respondent and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:

1. Respondent agrees that he will not seek to add lines of authority for property, casualty or personal lines to his license without an amendment to this Consent Agreement and the express written permission of the Department.

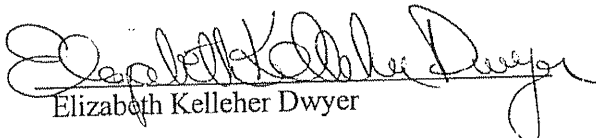
2. Respondent agrees that he will comply with all insurance laws and regulations in connection with any businesses with which he is associated in the future.

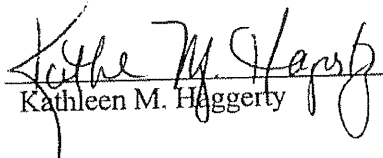
3. The Department agrees to issue a letter consenting to the participation of Respondent in the business of insurance pursuant to 18 U.S.C. § 1033 and acknowledges that Respondent has not been convicted of any crime involving dishonesty or a breach of trust.

Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients the 31<sup>st</sup> day of January 2011

Department of Business Regulation  
By its Legal Counsel,

Respondent  
By his attorney,

  
Elizabeth Kelleher Dwyer

  
Kathleen M. Haggerty