

STATE OF MICHIGAN
COURT OF CLAIMS

UNITED SERVICES CENTER, LLC, d/b/a
SENTT,

Plaintiff,

v

Case No. 25-000137-MM

THE MICHIGAN DEPARTMENT OF
INSURANCE AND FINANCIAL SERVICES,

Hon. Sima G. Patel

Defendant.

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**OPINION AND ORDER DENYING PLAINTIFF’S MOTION FOR A PRELIMINARY
INJUNCTION AND GRANTING DEFENDANT’S MOTION FOR SUMMARY DISPOSITION**

Before the Court are defendant’s, Department of Insurance and Financial Services (DIFS), October 21, 2025 motion to summarily dismiss plaintiff’s first amended complaint and plaintiff’s, United Services Center, September 15, 2025 motion for a preliminary injunction. Plaintiff cannot demonstrate that the nonrenewal of its business license was a constructive revocation effectuated by DIFS. Accordingly, plaintiff cannot establish that it is likely to succeed on the merits and has not overcome DIFS’s motion for summary disposition. The Court DENIES plaintiff’s motion for a preliminary injunction and GRANTS DIFS’s motion for summary disposition. It should be noted for the purposes of the ongoing circuit court action that this Court’s opinion makes no judgment on the merits underlying plaintiff’s equal protection claim.

I. BACKGROUND

Plaintiff is a money transfer business that provided specialty services for transferring funds to Yemen. The Money Transmission Services Act, MCL 487.1001 *et seq.*, requires money transfer businesses be licensed by DIFS. Plaintiff alleged that it filed the forms to renew its license with DIFS in December 2024, before its license expired, but claims a technical issue with the electronic application system—Nationwide Mortgage Licensing System (NMLS)—caused the license to lapse without renewal.¹ DIFS presented notices sent to plaintiff on December 4, December 16, and December 30, 2024, advising: “As of today’s date, your Michigan Money Transmitter license has not been renewed. If you feel you received this email in error, please contact DIFS-CFRenewals@michigan.gov, and our office can inform you of what you have outstanding.” Brandye R. Sedelmaier, Manager of DIFS Office of Consumer Finance Licensing, attested in an affidavit that she reviewed the server data from these notification e-mails. A general reminder e-mail sent to plaintiff was opened five times by the recipient, the December 4 notice was opened twice, the December 16 notice was opened six times, and the December 30 message was opened four times.

Plaintiff does not assert that he reached out to DIFS at the e-mail address provided in the three deficiency notices. Rather, plaintiff asserts that on January 11, 2025, its agent “found out” that the approximately \$4,000 license fee was withdrawn from plaintiff’s bank account, but not the \$125 mandatory fee for use of NMLS. Plaintiff’s agent spoke to a DIFS representative in

¹ In its notice of denial of plaintiff’s reapplication, DIFS noted that plaintiff’s license was not renewed in December 2024, because plaintiff failed to file the required application in conjunction with its license renewal fee.

January 2025, who allegedly advised that there was no administrative appeal of the nonrenewal because the license lapsed by “operation of law” and that the easiest method of fixing the error was to reapply for its license. Plaintiff did reapply and that application was denied.

Plaintiff filed suit in the circuit court against DIFS. Its circuit court claims were tied to two events: the alleged “nonrenewal” of the money transfer business license and the denial of its reapplication for this license. On August 14, 2025, the parties stipulated to the transfer of the claims related only to the nonrenewal of its license to this Court. Plaintiff’s claims related to the denial of its reapplication were remanded to the Michigan Office of Administrative Hearings and Rules (MOHAR), an action that plaintiff does not challenge in this Court. MOHAR stayed the administrative proceedings pending resolution of the dispute in the court system.

The only claims before this Court relate to the nonrenewal of plaintiff’s license, which plaintiff describes as the effective revocation of its license. In Count I of its first amended complaint, plaintiff alleges that DIFS falsely asserted that plaintiff failed to renew its license, and that the effective revocation of the license violated plaintiff’s right to procedural due process. In Count II, plaintiff describes DIFS’s actions as a violation of its right against illegal seizure of its property. And in Count III, plaintiff contends that DIFS committed an equal protection violation by effectively revoking plaintiff’s license out of animus toward Arab, Muslim, and Middle Eastern persons.

Plaintiff seeks a preliminary injunction for the restoration of its license pending the resolution of its lawsuit. DIFS, on the other hand, seeks summary dismissal of plaintiff’s action pertaining to the nonrenewal of its license.

II. STANDARDS OF REVIEW

A party seeking a preliminary injunction bears the burden of demonstrating entitlement to relief based on the following factors:

(1) the likelihood that the party seeking the injunction will prevail on the merits, (2) the danger that the party seeking the injunction will suffer irreparable harm if the injunction is not issued, (3) the risk that the party seeking the injunction would be harmed more by the absence of an injunction than the opposing party would be by the granting of the relief, and (4) the harm to the public interest if the injunction is issued. [*Davis v Detroit Fin Review Team*, 296 Mich App 568, 613; 821 NW2d 896 (2012) (cleaned up).]

This type of relief is “an extraordinary and drastic use of judicial power that should be employed sparingly and only with full conviction of its urgent necessity.” *Id.* (cleaned up).

DIFS seeks summary disposition on various grounds. Most relevant to the Court’s analysis, DIFS contends that plaintiff’s challenge to the nonrenewal of its license is an administrative matter that also must be considered by MOHAR in the first instance,² and that plaintiff failed to state a claim upon which can be granted under MCR 2.116(C)(8). “A motion under MCR 2.116(C)(8) tests the *legal* sufficiency of a claim based on the factual allegations in the complaint.” *El-Khalil v Oakwood Healthcare, Inc*, 504 Mich 152, 159-160; 934 NW2d 665 (2019) (cleaned up).

When the parties rely on evidence beyond the pleadings, however, the Court’s review actually falls under MCR 2.116(C)(10). *Steward v Panek*, 251 Mich App 546, 554-555; 652 NW2d 232 (2002). A motion under (C)(10) tests the factual sufficiency of a plaintiff’s claim. *El-Khalil*, 504 Mich at 160. The Court must view the evidence in the light most favorable to the

² DIFS cites MCR 7.211(C)(2)(a) in this regard. That court rule, however, applies to motions to dismiss in the Court of Appeals.

nonmoving party to determine if the plaintiff created genuine issues of material fact or whether the movant is entitled to judgment as a matter of law. *Id.* A plaintiff cannot merely rely on the statements in its complaint to avoid summary disposition and must present evidence to counter that proffered by the defendant. *Maiden v Rozwood*, 461 Mich 109, 120; 597 NW2d 817 (1999); *Quinto v Cross & Peters Co*, 451 Mich 358, 362-363; 547 NW2d 314 (1996).

III. DIFS'S MOTION FOR SUMMARY DISPOSITION ON COCA GROUNDS

DIFS first contends that plaintiff's action must be dismissed because neither its initial nor first amended complaint are verified. A plaintiff is permitted to file an amended, verified complaint that relates back to the date of the initiation of the case so long as the amendment is filed within the Court of Claims Act (COCA) notice period. See *Progress Mich v Attorney General*, 506 Mich 74, 96-99; 954 NW2d 475 (2020). Plaintiff's claim accrued on April 10, 2025, when DIFS officially denied its request for licensure. The Court began consideration of this motion before the expiration of the one-year notice period but was unable to timely resolve the matter due to no fault of the parties. Accordingly, if the Court was not dismissing plaintiff's claim on other grounds, the Court would have allowed plaintiff to remedy this defect.

DIFS next contends that several allegations in plaintiff's complaint were filed beyond the one-year COCA notice period. To form the basis of an actionable claim, a claim must have accrued within one year before plaintiff filed its complaint on March 31, 2025. MCL 600.6431(1). Claims accruing before March 31, 2024, are not actionable. Although plaintiff discusses events that occurred between 2018 and 2023, its claims are not based on those events. Rather, those events are background facts to assist the Court's understanding of the case. Plaintiff's claims are based on DIFS's alleged failure to renew plaintiff's license, which plaintiff claims effectively amounts

to a revocation of its license. Those events occurred beginning January 1, 2025, and ending on the date of the official denial on April 10, 2025. DIFS is not entitled to summary disposition on this ground.

IV. ANALYSIS ON THE MERITS

In the circuit court, DIFS contended that if plaintiff's complaint regarding the nonrenewal of its license was viewed as an original action, jurisdiction would lie with the Court of Claims, but if the action was an administrative appeal, the action must be dismissed for failure to exhaust plaintiff's administrative remedies. The circuit court did not resolve this issue. Instead, the parties entered a stipulated order transferring Count I Procedural Due Process, Count II Violation of Plaintiff's Right Against Illegal Seizure, and Count III Equal Protection as they relate to the nonrenewal of plaintiff's license to the Court of Claims, and staying Count IV Violation of the Elliot-Larsen Civil Rights Act for a final judgment of the transferred counts. The parties also agreed that the "companion administrative matter (Enforcement Case No. 25-18160) shall proceed in the normal course" in relation to the claims pertaining to the denial of plaintiff's reapplication.

Plaintiff filed an amended complaint in this Court, clarifying the issues before the Court, as well as a motion for a preliminary injunction. DIFS then moved for summary disposition, not only on jurisdictional grounds, but also on the merits of plaintiff's claims.

The Court must now decide whether (1) plaintiff supported the likelihood of success on the merits and created a genuine issue of material fact, and (2) whether its claims are actually an administrative appeal that belongs in the circuit court. Plaintiff's claims do not amount to an administrative appeal and do belong in this Court. However, plaintiff's claims do not arise from the effective revocation of plaintiff's license and, therefore, must be dismissed.

First and foremost, DIFS took no action to revoke plaintiff's license. Accepting plaintiff's allegations as true, the license automatically lapsed as a result of plaintiff's failure to pay a fee. See MCL 487.1015(2) ("A license issued under this act expires on December 31 of each year unless earlier suspended, surrendered, or revoked under this act. A licensee may renew a license by filing an application for a license renewal, in the form and medium prescribed by the commissioner, and paying the license fee for the renewal year, on or before the December 1 preceding the renewal year. The commissioner shall not renew a license if the license fee for the renewal term is not paid."). As DIFS took no administrative action, there could be no administrative appeal.³

Plaintiff's complaint is really that DIFS refused to reinstate its license after it lapsed by operation of law. Plaintiff has cited no authority requiring or even permitting DIFS to take such action. Rather, plaintiff focuses on a lawsuit it filed against DIFS after its license lapsed by operation of law due to inadequate notices during the COVID-19 shut-down. The unusual circumstances of that case led to due process issues, which required DIFS to reinstate plaintiff's license. No such unusual circumstances exist here. Plaintiff's challenge to the nonrenewal of its license is not an administrative appeal and is properly in this Court, rather than the circuit court or before MOHAR.

³ DIFS argues at length that plaintiff did not seek administrative review in a timely fashion. If this case involved an administrative appeal, this Court would lack jurisdiction to consider whether that appeal was timely. That issue would need to be resolved by the circuit court in the first instance.

Moreover, in relation to Counts I and II, plaintiff has not established the likelihood of success on the merits to support the imposition of a preliminary injunction, while defendant has demonstrated that plaintiff failed to create a triable issue of material fact.

In Count I of its amended complaint, plaintiff alleged that due process required DIFS to notify plaintiff of its intent to revoke plaintiff's license and give plaintiff an opportunity to be heard. DIFS did not revoke plaintiff's license; it lapsed as a result of plaintiff not completing the necessary steps to renew its license. Further, DIFS notified plaintiff on three occasions in December 2024, that plaintiff had not completed the steps necessary to renew its license. DIFS provided specific instructions to follow if plaintiff believed the notices were sent in error. Although plaintiff provided an affidavit from its principal, the affiant did not assert that the notices were not received. Instead, the affiant claimed he took all required steps to renew plaintiff's license on the NMLS portal. Plaintiff did not contact DIFS as instructed. DIFS could not consider any potential objections plaintiff may have harbored, because plaintiff failed to follow through. Because plaintiff was given notice and had an opportunity to be heard, although it did not take it, plaintiff has not supported that it is likely to succeed on the merits or created a genuine issue of material fact that it was denied due process.⁴ Accordingly, plaintiff is not entitled to a preliminary injunction in relation to Count I and defendant is entitled to summary disposition as a matter of law.

⁴ In its motion for preliminary injunction, plaintiff expanded upon its argument, contending that DIFS previously had a policy of allowing renewals to occur into January of the license-year. It was a violation of due process to rescind that policy without warning, plaintiff complained. Plaintiff did not seek to amend its complaint to add this theory.

In Count II, plaintiff alleged that the constructive revocation of its license amounted to an illegal seizure under Const 1963, art 1, § 11. This constitutional provision states, in relevant part: “The person, houses, papers, possessions, electronic data, and electronic communications of every person shall be secure from unreasonable searches and seizures.” Plaintiff alleged that the only ground for the “seizure” of its license was the “false assertion that Plaintiff failed to renew its license.” However, plaintiff conceded that the NMLS application fee was not received by DIFS. Even if plaintiff is correct that the NMLS system experienced errors that created the deficiencies in plaintiff’s application process, DIFS notified plaintiff three times that its application was not complete. Plaintiff has not denied receiving those notices. It does not claim that it responded to those notices. As a result of plaintiff’s failure to remedy the deficiencies, its license lapsed. “Seizure” for constitutional purposes is defined as a “meaningful interference with an individual’s possessory interests in that property.” *Sodal v Cook Co*, 506 US 56, 61; 113 S Ct 538; 121 L Ed 2d 450 (1992) (cleaned up). An interference requires some action by the government. The record does not support that DIFS “seized” plaintiff’s license; it simply lapsed with no action by DIFS. Accordingly, plaintiff has not supported that it is likely to succeed on the merits or created a genuine issue of material fact in this regard either. Accordingly, plaintiff is not entitled to a preliminary injunction in relation to Count II and defendant is entitled to summary disposition as a matter of law.

In Count III, plaintiff alleged that DIFS effectively revoked its license out of animus against Muslim, Arab, and/or Middle Eastern individuals. As the Court has concluded, however, plaintiff has not supported that DIFS effectively revoked or seized its license. Accordingly, plaintiff is not entitled to a preliminary injunction and defendant is entitled to summary disposition under MCR 2.116(C)(8) *in this Court* as a matter of law. However, this is a fact-intensive claim that is related

to plaintiff's discrimination claim that remains pending in the circuit court. The Court finds it premature to consider whether defendant alternatively would be entitled to summary disposition under MCR 2.116(C)(10).

IT IS ORDERED:

1. The Court DENIES plaintiff's motion for a preliminary injunction.
2. The Court GRANTS defendant's motion for summary disposition in full and with prejudice in this Court, but without any prejudice to plaintiff pursuing its actions in the MOHAR and circuit court.
3. This is a final order resolving all issues in this matter.

Date: April 16, 2026



Sima G. Patel
Judge, Court of Claims

