

WHEREAS, pursuant to N.J.S.A. 17:22A-40(d), the Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Producer Act and Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes against any person who is under investigation for or charged with a violation of the Producer Act or Title 17 of the Revised Statutes of Title 17B of the New Jersey Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(2), an insurance producer shall not violate any insurance laws, regulation, subpoena, or order of the Commissioner or another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(4), an insurance producer shall not improperly withhold, misappropriate or convert any monies or properties received in the course of doing insurance business; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.2(a), an insurance producer shall remit premium funds to the insurer within five business days after receipt of the funds; and

WHEREAS, pursuant to N.J.S.A. 17:22A-32(b)(2), a business entity is to designate a licensed insurance producer responsible for the business entity's compliance with the insurance laws, rules and regulations of this State; and

WHEREAS, pursuant to N.J.A.C. 11:1-12.2(a), active officers shall be held individually responsible for all insurance related conduct of the corporate licensee; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.6(c), licensed partners, officers and directors, and all owners with an ownership interest of 10 percent or more in the organization shall be held responsible for all insurance related conduct of the organization licensee, any of its branch offices, its other licensed officers or partners, and its employees; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense; additionally, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that, at all relevant times, Champion was the insurance agency for "A.M."; and

IT FURTHER APPEARING, that, on October 9, 2018, A.M. sent a check totaling \$1,662.80 to Champion in order to pay for the renewal of A.M.'s homeowner's insurance policy; and

IT FURTHER APPEARING, that, on October 16, 2018, Champion deposited A.M.'s check; and

IT FURTHER APPEARING, that Champion never forwarded A.M.'s \$1,662.80 to Scottsdale Insurance Company as payment of premium for A.M.'s homeowner's policy; and

IT FURTHER APPEARING, that, as a result of Champion's failure to forward A.M.'s premium, A.M.'s homeowner's policy expired on October 11, 2018; and

IT FURTHER APPEARING, that, following the commencement an investigation into the depositing of A.M.'s premium into Champion's bank account, Champion, by check dated November 5, 2019, reimbursed A.M. the \$1,662.80 for the premium that was not forwarded for renewal; and

COUNT ONE

IT FURTHER APPEARING, that Respondents failed to issue payment for an insured's renewal of a policy, causing the policy to not renew, in violation of N.J.S.A. 17:22A-40(a)(2), (4), and (8) and N.J.A.C. 11:17C-2.2(a); and

COUNT TWO

IT FURTHER APPEARING, that Marcella, as Champion's DLRP, owner and/or manager, is responsible for the violations alleged of Champion pursuant to N.J.S.A. 17:22A-32(b)(2), N.J.A.C. 11:1-12.2(a), and N.J.A.C. 11:17A-1.6(c); and

NOW, THEREFORE, IT IS on this 31st day of July, 2024

ORDERED, that Respondents appear and show cause why their New Jersey insurance producer licenses should not be revoked pursuant to N.J.S.A. 17:22A-40(a); and

IT IS FURTHER ORDERED, that Respondents appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act and order Respondents to pay restitution of moneys owed to any person, pursuant to the provisions of N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondents appear and show cause why they should not be required to reimburse the Department for the cost of the investigation and prosecution,

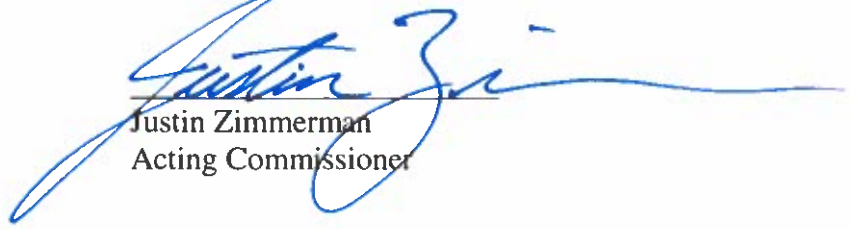
including attorneys' fees, as authorized pursuant to N.J.S.A. 17:22A-45(c) and N.J.A.C. 11:16-7.9(c); and

IT IS PROVIDED, that Respondents have the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued, and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED, that unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Respondents, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625, or by faxing the hearing request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General William E. Vaughan at: Division of Law, P.O. Box 117 Trenton, NJ 08625. The request shall contain the following:

- (a) Respondent's full name, address and daytime telephone number;
- (b) A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
- (c) A specific admission or denial of each fact alleged in this Order to Show Cause. Where Respondent has no specific knowledge regarding a fact alleged in the Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and

(d) A statement requesting the hearing.



Justin Zimmerman
Acting Commissioner