

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner)
of Banking and Insurance, State of New)
Jersey, to fine, suspend and/or revoke)
the insurance producer licenses of)
Joseph F. Logue, Reference No. 9480213)
and Castle Title Agency, LLC,)
Reference No. 1009088)

FINAL ORDER

TO: Joseph F. Logue
32 Olde Town Court
Bernardsville, NJ 07924

Joseph F. Logue
200 Somerset Corporate Blvd., Suite 1003
Bridgewater, NJ 08807

Castle Title Agency, LLC
32 Olde Town Court
Bernardsville, NJ 07924

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Joseph F. Logue (“Logue”) and Castle Title Agency LLC (“Castle Title”) (collectively, the “Respondents”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondents were licensed as resident insurance producers pursuant to N.J.S.A. 17:22A-32, until their licenses expired on April 30, 2014 and May 31, 2015 respectively; and

WHEREAS, Respondents are subject to the provisions of the New Jersey Insurance

Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq., (“Producer Act”) and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 et seq. and N.J.A.C. 11:17D-1.1 et seq.; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.8, an insurance producer shall reply, in writing, to any inquiry of the Department of Banking and Insurance (“Department”) relative to the business of insurance within the time requested in said inquiry, or no later than 15 calendar days from the date the inquiry was made or mailed in cases where no response time is given; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40d, 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 or 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, the Commissioner issued Order to Show Cause No. E16-96 on October 7, 2016 (“OTSC”), alleging violations of New Jersey insurance laws by the Respondents as set forth in the following Counts:

COUNT 1

IT APPEARING that Respondent Logue was first licensed as a

resident insurance producer in the State of New Jersey on October 19, 1994; and

IT FURTHER APPEARING that, on or about June 5, 2003, Respondent Castle Title was formed as a Domestic Limited Liability Company in the State of New Jersey; and

IT FURTHER APPEARING that Respondent Logue was listed as the registered agent and the authorized representative at the time of Respondent Castle Title's formation; and

IT FURTHER APPEARING that an entity known as 141 Main Street, LLC was listed as a member/manager of Respondent Castle Title at the time of Respondent Castle Title's formation; and

IT FURTHER APPEARING that Robert L. Neiltopp was a principal in 141 Main Street, LLC, and a business associate of Respondent Logue at the time of Respondent Castle Title's formation; and

IT FURTHER APPEARING that Respondent Castle Title was first licensed as a resident insurance producer in the State of New Jersey on November 3, 2003; and

IT FURTHER APPEARING that, on or about February 3, 2004, an entity known as K-Land Corporation ("K-Land") entered into a purchase and sale agreement with Chevron Land and Development Company ("Chevron") to purchase a tract of land in Bayonne, New Jersey; and

IT FURTHER APPEARING that, on or about February 10, 2004, K-Land provided a check for \$200,000.00 to Respondent Castle Title, representing K-Land's initial deposit (the "K-Land Deposit"), to be held in escrow during an environmental investigation and remediation of the Bayonne property; and

IT FURTHER APPEARING that, on or about February 17, 2004, Robert Neiltopp deposited K-Land's \$200,000.00 check into Respondent Castle Title's escrow account at PNC Bank; and

IT FURTHER APPEARING that, on or about May 25, 2005, Respondent Logue changed the registered office address for Respondent Castle Title to Respondent Logue's home address, and continued to list himself as the registered agent of Respondent Castle Title with the State of New Jersey; and

IT FURTHER APPEARING that by Fall 2005, Robert Neiltopp and Respondent Logue had severed their business relationship; and

IT FURTHER APPEARING that, on or about September 16, 2005, Robert Neiltopp called PNC Bank to determine the status of various account of Respondent Castle Title, and confirmed that K-Land's \$200,000.00 deposit was still available, with accrued interest, in Respondent Castle Title's escrow account; and

IT FURTHER APPEARING that in or around April 2013, a representative of K-Land asked Respondent Logue to transfer the \$200,000.00 deposit to another escrow holder; and

IT FURTHER APPEARING that, on or about December 18, 2013, after several months of discussion, Respondent Logue e-mailed K-Land and stated that he could not determine what happened to the missing funds, and that he would file an errors and omissions ("E&O") claim with his insurance carrier to recover K-land's \$200,000.00 deposit; and

IT FURTHER APPEARING that Respondents held a professional liability insurance policy with Travelers Insurance Company ("Travelers") with effective dates of October 14, 2007 through October 14, 2008; and

IT FURTHER APPEARING that on April 1, 2014, K-Land contacted Travelers inquiring as to the status of Respondent Logue's claim, if any, as Respondent Logue had been unresponsive to K-Land concerning any updates; and

IT FURTHER APPEARING that K-Land's contact on April 1, 2014 was Travelers' first notice of any claim by Respondents regarding this matter; and

IT FURTHER APPEARING that, on or about May 10, 2014, Travelers denied the claim for return of the \$200,000.00 in escrow funds; and

IT FURTHER APPEARING that Travelers denied the claim because Respondent Castle Title's policy was no longer in effect at the time of the claim, indicating that Respondent Logue made no attempt to file a claim for the \$200,000.00 deposit during the effective period of the Travelers policy; and

IT FURTHER APPEARING that Respondents also had an E&O policy with Westchester Fire Insurance Company ("Westchester"), with effective dates of October 14, 2012 through October 14, 2013; and

IT FURTHER APPEARING that, on or about August 27, 2014, as a result of K-Land's contact with Respondents' retail insurance agent, Westchester opened a claim regarding the \$200,000.00 deposit; and

IT FURTHER APPEARING that, again, Respondent Logue was unresponsive to K-Land in attempts to resolve this matter, prompting K-Land's initiation of the claim with Westchester; and

IT FURTHER APPEARING that, on or about September 8, 2014, Westchester denied the claim for return of the \$200,000.00 in escrow funds; and

IT FURTHER APPEARING that Westchester denied the claim because Respondent Castle Title's policy was no longer in effect at the time of the claim, indicating that Respondent Logue made no attempt to file a claim for the \$200,000.00 deposit during the effective period of the Westchester policy; and

IT FURTHER APPEARING that, Respondents received \$200,000.00 to be held in escrow, and are unable to locate and return the escrowed funds, in violation of N.J.S.A. 17:22A-40a(2) and (16); and

COUNT 2

IT FURTHER APPEARING that, on September 23, 2014, K-Land filed a complaint with the New Jersey Department of Banking and Insurance regarding the circumstances described in Count 1; and

IT FURTHER APPEARING that, on September 23, 2014, the Department sent a letter to Respondents' business/ mailing address, attaching K-Land's complaint, and requiring a report addressing each allegation and providing pertinent documentation; and

IT FURTHER APPEARING that Respondents failed to respond to the Department's inquiry; and

IT FURTHER APPEARING that, on or about January 20, 2015, the Department sent inquiry letters to Respondents at their

business/mailling addresses, both of which were returned to the Department as undeliverable; and

IT FURTHER APPEARING that the Department obtained a mailing address for Respondent Logue in the State of Florida, and mailed him an inquiry letter on or about March 3, 2015; and

IT FURTHER APPEARING that, on or about April 9, 2015, Respondent Logue contacted the Department and requested that the Department e-mail its inquiry; and

IT FURTHER APPEARING that, on April 9, 2015, the Department e-mailed its inquiry to Respondent Logue; and

IT FURTHER APPEARING that Respondent Logue has not responded to the Department's e-mail; and

IT FURTHER APPEARING that Respondents failed to respond to the Department's inquiries regarding the allegations described in Count 1, in violation of N.J.S.A. 17:22A-40a(2) and (8), and N.J.A.C. 11:17A-4.8; and

IT FURTHER APPEARING that Respondent was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to the OTSC; and

IT FURTHER APPEARING that as set forth in the Certification of Deputy Attorney General Kevin J. McGowan, attached hereto as Exhibit A, Respondents were given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to the OTSC, which were duly served by certified and regular mail to Respondents' last known mailing and residence addresses on file with the Department; and

IT FURTHER APPEARING that, pursuant to the Certification of Deputy Attorney General Kevin J. McGowan, attached hereto as Exhibit A, the OTSC was successfully delivered to Logue at 200 Somerset Corporate Blvd., Suite 1003, Bridgewater, New Jersey 08807 as evidenced by the fact that the regular mailing was not returned by the U.S. Postal Service and

was successfully delivered to Castle Title at 32 Olde Town Court, Bernardsville, New Jersey 07924 as evidenced by the fact that the regular mailing was not returned by the U.S. Postal Service; moreover, the OTSC was successfully delivered by certified and regular mail to Logue at 217 SW Kestor Drive, Point Saint Lucie, Florida 34953-5436; and

IT FURTHER APPEARING that, pursuant to N.J.S.A. 11:17D-2.1(a)3, service of the OTSC to the last known business or mailing address of Respondents according to files maintained by the Department constitutes lawful service; and

IT FURTHER APPEARING that Respondent has failed to respond to the alleged violations in the OTSC;

NOW, THEREFORE, IT IS on this 25th day of October,
2017

ORDERED that the charges contained in the OTSC are deemed admitted by Respondents due to Respondents' failure to respond to the alleged violations, pursuant to N.J.A.C. 11:17D-2.1(b)1; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-40, and N.J.A.C. 11:17D-2.1(b)2, the insurance producer licenses of Joseph F. Logue and Castle Title Agency, LLC are **REVOKED** effective upon the execution of this Final Order; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-45c, that Respondents shall be jointly and severally liable for the payment of civil penalties for violations of the Producer Act, as follows:

Count 1: Respondents shall be responsible for the payment of civil penalties totaling \$5,000.00 for receiving the K-Land Deposit to be held in escrow, and being unable to locate and

return the escrowed funds to K-Land; and

Count 2: Further, Respondents shall be responsible for the payment of civil penalties totaling \$5,000.00 for failing to respond to the Department's inquiries regarding the allegations describe in Count 1; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-45c and N.J.A.C. 11:1-32.4(b)20, Respondents shall reimburse the Department for the costs associated with the investigation of this matter, as evidenced by the Certification of Costs by Investigator Daxesh Patel, attached hereto as Exhibit B, totaling \$775.00; and

IT IS FURTHER ORDERED that Respondents shall pay the above fines and costs totaling \$10,775 .00 in full by remitting payment to the Commissioner of Banking and Insurance, State of New Jersey, 20 West State Street, P.O. Box 329, Trenton, New Jersey 08625, Attention: Virgil Downtin, Chief of Investigations by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," within ten days from the date of service of this Order; and

IT IS FURTHER ORDERED that pursuant to N.J.S.A. 17:22A-45c, Respondents shall make restitution to K-Land in the total amount of \$200,000.00 as described in Count 1 of the OTSC; and

IT IS FURTHER ORDERED that in the event full payment of the fines and costs is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid penalties, in accordance with the Penalty Enforcement Law of 1999, N.J.S.A. 2A:58-10 et seq.; and

IT IS FURTHER ORDERED that the fines in this Final Order are imposed pursuant to

the police powers of the State of New Jersey for the enforcement of the law and the protection of the public health, safety and welfare, and are not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED that the provisions of this Final Order represent a final agency decision and constitute a final resolution of the allegations contained in the OTSC.



Peter L. Hart
Director of Insurance

EXHIBIT A

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner)
of Banking and Insurance, State)
of New Jersey, to fine, suspend)
and/or revoke the insurance)
producer licenses of Joseph F.)
Logue, Reference No. 9480213)
and Castle Title Agency, LLC,)
Reference No. 1009088)

**CERTIFICATION OF
DEPUTY ATTORNEY GENERAL
KEVIN J. MCGOWAN**

I, Kevin J. McGowan, of full age, do of my own personal knowledge make the following statements by way of certification in lieu of affidavit pursuant to R. 1:4-4(b):

1. I am a Deputy Attorney General assigned as counsel for the Commissioner of Banking and Insurance, State of New Jersey, ("Commissioner"), in the above-captioned matter. I make this certification in support of entry of the Final Order in the above-captioned case against Joseph F. Logue ("Logue"), and Castle Title Agency, LLC ("Castle Title") (collectively "Respondents").

2. On October 7, 2016, the Commissioner issued Order to Show Cause No. F16-96 against Respondents, charging them with violations of the insurance laws of this State, pursuant to N.J.S.A. 17:22A-40.

3. Pursuant to N.J.A.C. 11:17D-2.1(a)3, the Order to Show Cause "shall be served by personal delivery, or by certified mail to the alleged violator's last known business or

mailing address, according to the files maintained by the Department. Service in this manner shall be considered lawful service on the alleged violator.”

4. Under cover letter dated October 14, 2016, our office served Castle Title with Order to Show Cause No. E16-96 at Castle Title’s last known business address and mailing address on file with the New Jersey Department of Banking and Insurance. Specifically, the cover letter and Order to Show Cause were sent via certified mail, return receipt requested, and regular mail to Castle Title’s last known business and mailing address at 32 Olde Town Court, Bernardsville, NJ 07924.

5. The certified mailing to Castle Title was returned with “Unclaimed” marked on the envelope. The regular mailing was not returned.

6. Under cover letter dated October 14, 2016, our office served Logue with Order to Show Cause No. E16-96 at Logue’s last known business address on file with the New Jersey Department of Banking and Insurance. Specifically, the cover letter and Order to Show Cause were sent via certified mail, return receipt requested, and regular mail to Logue’s last known business address at Castle Title Agency, LLC, 200 Somerset Corporate Blvd., Suite 1003, Bridgewater, NJ 08807

7. The certified mailing to Logue’s business address was returned with “Attempted – Not Known” marked on the envelope. The regular mailing was also returned.

8. Our office also served Logue with Order to Show Cause No. E16-96 at Respondent Logue’s last known mailing address on file with the New Jersey Department of Banking and Insurance. Specifically, the cover letter and Order to Show Cause were sent via certified mail, return receipt requested, and regular mail to Logue’s last known mailing address at 32 Olde Town

Court, Bernardsville, NJ 07924.

9. The certified mailing to Respondent Logue's mailing address was returned with "Unclaimed" marked on the envelope. The regular mailing was not returned.

10. Pursuant to N.J.S.A. 11:17D-2.1(a)3, service of the Order to Show Cause as described above constitutes lawful service upon Respondents.

11. Although N.J.A.C. 11:17D-2.1(a)3 allows for service at the last known business or mailing address, the Department of Banking and Insurance conducted searches for any additional addresses for the Respondents. The Order to Show Cause was sent to the following addresses by regular and certified mail: Joseph F. Logue, 217 SW Kestor Drive, Port Saint Lucie, FL 34953-5426 and Castle Title Agency, LLC, PO Box 610, Bernardsville, NJ 07924.

12. The certified and regular mail packages sent to the P.O. Box 610 Bernardsville address were returned by the postal service.

13. The certified and regular mail packages sent to the Port Saint Lucie, FL address were delivered.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



Kevin J. McGowan
Deputy Attorney General

Dated: October 4, 2017

EXHIBIT B

Proceedings by the Commissioner of)
Banking and Insurance, State of New)
Jersey, to fine, suspend and/or revoke)
the insurance producer license of)
Joseph F. Logue, Reference)
No. 9480213 and Castle Title)
Agency LLC., Reference No.)
1009088)

**CERTIFICATION OF COSTS
BY INVESTIGATOR
DAXESH PATEL**

I, Daxesh Patel, of full age, do of my own personal knowledge make the following statements by way of certification in lieu of affidavit pursuant to R. 1:4-4(b):

1. I am an investigator with the New Jersey Department of Banking and Insurance, Division of Enforcement and Consumer Protection (“Department”).

2. This certification is submitted in support of the Department’s application for reimbursement of its costs of investigation and prosecution, in accordance with N.J.S.A. 17:22A-45c.

3. I was assigned responsibility for conducting an investigation to determine whether Joseph F. Logue and Castle Title Agency LLC may have violated certain provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq. (“Producer Act”) and related insurance regulations.

4. To determine the amount of time that I spent in the investigation and prosecution of this matter, I reviewed files relative to this matter, including time records. On the basis of this review, I have prepared the below schedule of costs:

DATE	TIME IN HRS.	PHONE	CASE PREP.	COMMENTS
1/16/2015	1.00		X	File reviewed. Sent an e-mail to complainant.
1/16/2015	0.25	X		Called E & O Carrier to obtain its policy documents.
1/20/2015	0.50		X	Received & reviewed E & O Carrier's response.
1/21/2015	1.00		X	Prepared and sent a letter of request to IP//OP.
1/29/2015	0.25		X	Received and reviewed complainant's e-mail response.
2/05/2015	2.00		X	Prepared and updated IR No. 1 in the SBS System.
3/02/2015	1.00		X	Received and reviewed e-mail response from Esq. Shamy; sent an e-mail request to attorney Shamy; received and reviewed attorney Shamy's response; conducted/obtained and reviewed LexisNexis search report of Joseph Logue.
3/02/2015	1.00		X	Prepared and sent a letter of request to IP.
3/02/2015	1.50		X	Prepared and updated IR No. 2 in the SBS System.
3/04/2015	0.25		X	Discussed this case matter with Joe McDougal, Manager of Licensing Unit.
3/04/2015	0.25		X	Sent an e-mail request to Joy Holman at BFD.
3/13/2015	0.25	X		Called Jena Logue to know how can we reach Mr. Logue.
4/09/2015	0.25		X	Received voice mail message from Joseph Logue and as requested sent an e-mail request to him.
6/16/2015	0.25		X	Conducted and obtained an accurint search report; Sent an e-mail request to Mr. McDougal.
6/17/2015	0.25		X	Sent an e-mail request to complainant.
6/17/2015	1.50		X	Prepared and updated IR No. 3 in the SBS System.
9/30/2015	0.50		X	Sent an e-mail request to the WFIC; received and reviewed response from WFIC.
10/14/2015	3.00		X	Prepared F & E.
12/03/2015	0.50		X	Referred this file to the AG's office.
TOTAL TIME	15.50	@ \$50.00 per hour		=TOTAL COSTS OF INVESTIGATION - \$775.00

5. As this schedule reflects, the time expended by the Department to investigate this matter totals 15.00 hours and 30 minutes. Pursuant to N.J.A.C. 11:1-32.4(b)20, costs to the Department for the investigation and prosecution for violations of the Producer Act are

reimbursable at the rate of \$50.00 per hour, rounded to the nearest quarter hour.

6. I therefore request that the Department's costs of investigation and prosecution be reimbursed in the amount of \$775.00.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.

A handwritten signature in black ink, appearing to read "Daxesh Patel", written over a horizontal line.

Daxesh Patel
Investigator
New Jersey Department of
Banking and Insurance

Dated: 10/23/2017