

CONSENT ORDER No. E14-75

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 license of)
Douglas A. Dign, Reference No.)
8038949, and FP Concepts, LLC.)

CONSENT ORDER

TO: Douglas A. Dign
162 Evergreen Avenue
Villas, NJ 08251

FP Concepts
1701 Bayshore Road
P.O. Box 383
Villas, NJ 08251

THIS MATTER, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that DOUGLAS A. DIGN ("Dign"), and FP CONCEPTS, LLC ("FP Concepts") (collectively, "Respondents") violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, that at all relevant times, Respondent Dign was a licensed resident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32; and

WHEREAS, that at all relevant times, Respondent FP Concepts was a business entity with its principal place of business in this State; and

WHEREAS, that at all relevant times, Respondent Dign was the Principal of Respondent FP Concepts; and

WHEREAS, that at all relevant times, Respondent FP Concepts was not licensed as a resident insurance producer in this State; and

WHEREAS, Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act, ("Producer Act") N.J.S.A. 17:22A-26 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; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(7), an insurance producer shall not commit any insurance unfair trade practice; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(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. 11:17-2.7(a), no resident licensed individual producer shall conduct insurance business under a name other than his or her legal name unless the name has been filed with and approved by the New Jersey Department of Banking and Insurance ("Department"), and

WHEREAS, pursuant to N.J.A.C. 11:17-2.7(c), no resident business entity shall conduct insurance business unless the business name has been filed with and approved by the Department; and

WHEREAS, pursuant to N.J.S.A. 17:22A-29, a person shall not sell, solicit or negotiate insurance in this State unless the person is licensed for that line of authority; and

WHEREAS, pursuant to N.J.S.A. 17:29B-4, an insurance producer shall not make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of his

insurance business, which is untrue, deceptive or misleading;
and

WHEREAS, pursuant to N.J.A.C. 11:2-23.4(a), advertisements shall be truthful and not misleading in fact or by implication. Words or phrases the meaning of which is clear only by implication or by familiarity with insurance terminology shall not be used. The form and content of an advertisement of a policy shall be sufficiently complete and clear so as to avoid deception. The advertisement shall not have the capacity or tendency to mislead or deceive; and

WHEREAS, pursuant to N.J.A.C. 11:2-23.5(b), no advertisement shall omit material information or use words, phrases, statements, references, or illustrations if such omission or such use has the capacity, tendency, or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of any policy benefit payable, loss covered, premium payable, or State or Federal tax consequences; and

WHEREAS, pursuant to N.J.A.C. 11:2-23.6(a), the name of the insurer shall be clearly identified on all life insurance advertisements, and if any specific individual policy is advertised it shall be identified either by form number or other appropriate description; and

WHEREAS, pursuant to N.J.A.C. 11:17A-2.6(a)2, an insurance producer who solicits insurance shall be required to identify the name of the insurer, if known, or insurance producer, that he or she is representing, to the person he or she is soliciting prior to commencing his or her solicitation; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45, the commissioner shall have the power to conduct investigations, to administer oaths, to interrogate licensees and others, and to issue subpoenas to any licensee or any other person in connection with any investigation, hearing or other proceeding pursuant to this act, without fee; 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 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.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

IT APPEARING, that the Commissioner issued Order to Show Cause No. E14-55 on May 9, 2014, alleging violations of the New Jersey insurance laws by Respondent Dign and Respondent FP Concepts, as follows:

COUNT 1
(Respondents Dign & FP Concepts)

IT FURTHER APPEARING, that on or about the following eight (8) dates: October 3, 2013, October 10, 2013, October 17, 2013, October 24, 2013, November 7, 2013, November 21, 2013, November 28, 2013, and December 5, 2013, Respondent Dign, through Respondent FP Concepts, placed advertisements in the SHOPPE/Sand Dollar community newspaper, a publication in Cape May County, New Jersey; and

IT FURTHER APPEARING, that the eight (8) advertisements advertised "CD TYPE ANNUITY RATES" or "CD ANNUITY SPECIAL 3.5% 5 YEAR FIXED RATE" and failed to mention, by name, any insurance or annuity company in the advertisement; and

IT FURTHER APPEARING that, these eight (8) instances, where Respondents placed advertisements for insurance products in a New Jersey newspaper, that failed to clearly identify the name of the insurer, constitutes violations of N.J.S.A. 17:22A-40a(2), (7) & (8), N.J.S.A. 17:29B-4, N.J.A.C. 11:2-23.4(a), N.J.A.C. 11:2-23.5(b), N.J.A.C. 11:2-23.6(a), and N.J.A.C. 11:17A-2(a)2; and

COUNT 2
(Respondents Dign & FP Concepts)

IT FURTHER APPEARING, that at all relevant times, Respondent FP Concepts was not licensed as a resident insurance producer in this State; and

IT FURTHER APPEARING, that Respondent FP Concepts was the only person or business entity identified in the eight (8) aforementioned advertisements, and

IT FURTHER APPEARING, that this instance, where Respondent Dign solicited insurance business through Respondent FP Concepts, a business entity not licensed as a resident insurance producer in this State, constitutes violations of N.J.S.A. 17:22A-40a(2) & (8), N.J.S.A. 17:22A-29, and N.J.A.C. 11:17-2.7(a) & (c); and

COUNT 3
(Respondents Dign & FP Concepts)

IT FURTHER APPEARING, that on or about January 10, 2014, the Department sent, by certified mail, a letter to Respondents requesting information; and

IT FURTHER APPEARING that, on or about January 21, 2014, Respondent Dign signed receipt of the certified letter; and

IT FURTHER APPEARING, that Respondents failed to reply to the Department's inquiry in writing in violation of N.J.S.A. 17:22A-40a(2), and N.J.A.C. 11:17A-4.8; and

IT FURTHER APPEARING, that Respondent Dign and Respondent FP Concepts have not requested a hearing on the allegations contained in the Order to Show Cause; and

IT FURTHER APPEARING, that Respondent Dign and Respondent FP Concepts admit and agree to take responsibility for the Producer Act violations contained in Count 1, Count 2 and Count 3 in the Order to Show Cause; and

IT FURTHER APPEARING that cause does exist, pursuant to N.J.S.A. 17:22a-40a, and N.J.S.A. 17:22A-45c, to impose civil

penalties upon Respondent Dign and Respondent FP Concepts, and to order the payment by Respondent of the costs of investigation of this matter; and

IT FURTHER APPEARING, that Respondent Dign and Respondent FP Concepts admit and agree to take responsibility for the violations of the Producer Act as described above; and

IT FURTHER APPEARING, that Respondent Dign and Respondent FP Concepts have waived their rights to a hearing on the above violations and consent to the payment of a fine totaling \$4,125.00, jointly and severally, consisting of \$2,500.00 for the violations contained in Count 1, \$1,000.00 for the violations contained in Count 2, \$500.00 for the violations contained in Count 3, and \$125.00 for the costs of investigation, pursuant to N.J.S.A. 17:22A-45c; and

IT FURTHER APPEARING, that this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

IT FURTHER APPEARING, that good cause exists to enter into this Consent Order; and

NOW, THEREFORE, IT IS on this 30th day of JUNE, 2014,

ORDERED AND AGREED, that Respondent Dign and Respondent FP Concepts admit to the charges contained in Count 1, Count 2, and Count 3 in Order to Show Cause No. E14-55; and

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.S.A. 17:22A-45c, Respondent Dign and Respondent FP Concepts, jointly and severally, shall pay civil penalties in the amount of \$4,000.00 for the violations of the Producer Act and Department Regulations admitted to herein; and

IT IS FURTHER ORDERED AND AGREED that, pursuant to N.J.S.A. 17:22A-45c, Respondent Dign and Respondent FP Concepts shall reimburse the Department for its costs of investigation in the amount of \$125.00; and

IT IS FURTHER ORDERED AND AGREED, that said civil penalty of \$4,125.00 shall be paid by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," due and payable immediately upon the execution of this Consent Order by Respondent Dign and Respondent FP Concepts; and

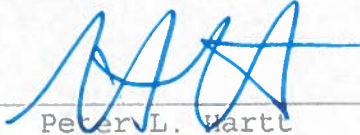
IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the payment of \$4,125.00 shall be remitted to:

Ryan S. Schaffer, Deputy Attorney General
State of New Jersey, Division of Law
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 117
Trenton, New Jersey 08625

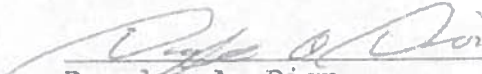
IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute final resolution of the violations contained in Order

to Show Cause E14-55 related to Respondent Dign and Respondent FP Concepts.


IT IS FURTHER ORDERED AND AGREED, that Respondent Dign and Respondent FP Concepts shall cease and desist from engaging in the conduct that gave rise to this Consent Order.


Peter L. Wartt
Acting Director of Insurance

Consented to as to
Form, Consent and
Entry:


Douglas A. Dign
Individually

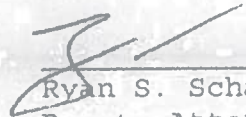
Date: 6/25/14


FP Concepts, LLC
By: Douglas A. Dign

Date: 6/25/14

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

Date: JUNE 27, 2014


Ryan S. Schaffer
Deputy Attorney General
Attorney for the New Jersey
Department of Banking and
Insurance