

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)	ORDER
and impose other penalties against the insurance)	TO SHOW
licenses of Debbie L. Madosky, Ref. No. 9251658)	CAUSE

TO: Debbie L. Madosky
23 Bortons Road
Medford, NJ 08055

Debbie L. Madosky, Inmate # ON2058
SCI Cambridge Springs
451 Fullerton Avenue
Cambridge Springs, PA 16403-1238

This matter, having been opened to the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Debbie L. Madosky (“Respondent”), formerly licensed as a resident individual insurance producer pursuant to N.J.S.A. 17:22A-32, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Debbie L. Madosky’s resident individual insurance producer license expired on April 30, 2009; and

WHEREAS Respondent is subject to the provisions of the New Jersey Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40d and N.J.A.C. 11:17-2.14c, allowing a license to expire shall not void any disciplinary proceeding against the licensee, nor prevent imposition of any penalty, ordered restitution or costs; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance laws or regulations; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(6), an insurance producer shall not be convicted of a felony or crime of the fourth degree or higher; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(18), an insurance producer must notify the Commissioner within thirty (30) days of her conviction of any crime, indictment or the filing of any formal criminal charges against her; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47b, an insurance producer shall report to the commissioner any criminal prosecution of the producer taken in any jurisdiction; and

WHEREAS, pursuant to N.J.A.C. 11:17E and 18 U.S.C. § 1033, no person having been convicted of a felony involving dishonesty or breach of trust shall engage in the business of insurance without having first obtained the written consent of the Commissioner or his or her designee; and

COUNT 1

IT APPEARING that on or about December 6, 2007, in the Pennsylvania Court of Common Pleas, Criminal Division, County of Montgomery, Respondent Madosky pled guilty and was convicted of the following counts of a Criminal Information filed under Criminal Action No. CP-46-CR-0002436-2007: five counts of Theft by Failure to Make Required Disposition of Funds Received – felonies in the third degree; and, one count of acting as a broker-dealer without being registered, in violation of N.J.S.A. 17:22A-40a(6); and

IT FURTHER APPEARING that on or about July 11, 2008, the Respondent was sentenced under this conviction to a minimum of four and half years, maximum twelve years, term of imprisonment, probation and the payment of restitution totaling \$1,420,454.13; and

IT FURTHER APPEARING that the aforesaid conviction contains five felonies involving dishonesty or breach of trust as defined at N.J.A.C. 11:17E-1.2 and that Madosky is therefore a “prohibited person” as defined by N.J.A.C. 11:17E-1.2 and is thus prohibited from

engaging or being employed in the business of insurance in any capacity pursuant to 18 U.S.C. § 1033 and N.J.A.C. 11:17E; and

COUNT 2

IT FURTHER APPEARING that Madosky failed to notify the Commissioner within thirty (30) days of filing, on or about February 13, 2007, of the criminal complaint 06-20048 against her in the Commonwealth of Pennsylvania, County of Montgomery, in violation of N.J.S.A. 17:22A-47 and N.J.S.A. 17:22A-40a(2), (18); and

COUNT 3

IT FURTHER APPEARING that Madosky failed to notify the Commissioner within thirty (30) days of her guilty plea/conviction on or about December 6, 2007, and her sentencing on or about July 11, 2008, in the Pennsylvania Court of Common Pleas, Criminal Division, County of Montgomery, to six counts of a Criminal Information filed under Criminal Action No. CP-46-CR-0002436-2007, in violation of N.J.S.A. 17:22A-47 and N.J.S.A. 17:22A-40a(2), (18);

NOW, THEREFORE, IT IS on this 27th day of January, 2010:

ORDERED that, pursuant to N.J.S.A. 17:22A-40 and N.J.S.A. 17:22A-45c, the Respondent appear and show cause why the New Jersey insurance producer license issued to her should not be subject to revocation by the Commissioner, and why she should not be fined up to \$5,000.00 for the first violation and up to \$10,000.00 for each subsequent violation; and

IT IS FURTHER ORDERED that, pursuant N.J.S.A. 17:22A-45c, the Respondent appear and show cause why she should not be subject to additional penalties, including reimbursement of costs of the investigation and prosecution; and

IT IS PROVIDED that Respondent has 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 the licensee and the Commissioner shall dispose of this matter in accordance with the law. A hearing may be requested by mailing the request to Thomas F. Ritardi, Acting Manager of Enforcement, New Jersey 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. The request shall contain the following:

- (a) The licensee's 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 the licensee 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.



William G. Rader
Acting Commissioner