

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

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Proceedings by the Commissioner of Banking )  
and Insurance, State of New Jersey, to fine, )  
suspend, and/or revoke the Insurance Producer )  
License of Shannon Shaw, Reference No. )  
1303859 )  
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**ORDER TO SHOW CAUSE**

TO: Shannon Shaw  
50 Magnolia Avenue  
Pitman, NJ 08071

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Shannon Shaw (“Respondent”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was licensed as a resident insurance producer, pursuant to N.J.S.A. 17:22A-32, until her license expired on July 31, 2015; and

WHEREAS, Respondent is 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

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(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 shall not fail to notify the Commissioner within 30 days of his conviction of any crime, indictment or the filing of any formal criminal charges or the suspension or revocation of any insurance license or authority by a state, other than this State, or the initiation of formal disciplinary proceedings in a state, other than this State, affecting the producer's insurance license; or fail to obtain the written consent pursuant to sections 1033 and 1034 of Title 18, United States Code (18 U.S.C. 1033 and 1034); or fail to supply any documentation that the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47b, within 30 days of the initial pretrial hearing date, an insurance producer shall report to the Commissioner any criminal prosecution of the producer taken in any jurisdiction, which report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents; 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, pursuant to N.J.S.A. 17:22A-45c, any person violating any provision of the Producer Act shall be liable 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 from November 8, 2013 through January 7, 2014, Respondent was employed as a licensed insurance producer at the Affordable Insurance Agency in Haddon Township (“Affordable Insurance”); and

IT FURTHER APPEARING, that one of Respondent’s duties at Affordable Insurance was to prepare applications for motor vehicle insurance coverage to be issued through the State of New Jersey’s Special Automobile Insurance Policy Program; and

IT FURTHER APPEARING, that from November 8, 2013 through January 7, 2014, Respondent electronically submitted 33 applications for Special Automobile Insurance Policies, indicating that payment would be made, and thereby binding coverage for the insured; and

IT FURTHER APPEARING, that in each of these 33 transactions Respondent misappropriated the \$185.00 initial premium payment provided to her by the applicant instead of forwarding the premium payment; and

IT FURTHER APPEARING, that on or about November 5, 2014, Respondent pled guilty to Accusation No. 3361-11-14 charging her with third-degree Insurance Fraud, in violation of N.J.S.A. 2C:21-4.6a(2); and

IT FURTHER APPEARING, that Respondent failed to notify the Commissioner within 30 days that she had been formally charged with a crime; and

**COUNT ONE**

IT FURTHER APPEARING, that on or about February 6, 2015, Respondent was convicted of third-degree Insurance Fraud, in violation of N.J.S.A. 2C:21-4.6a(2), and was sentenced to three years' probation, ordered to pay a \$1,000.00 penalty to the State, ordered to pay restitution to Affordable Insurance in the amount of \$6,105.00, and ordered to forfeit her insurance producer's license for five years, which conviction constitutes a violation of N.J.S.A. 17:22A-40a(6); and

**COUNT TWO**

IT FURTHER APPEARING, that Respondent failed to advise the Commissioner of the filing of formal charges and subsequent conviction within 30 days, in violation of N.J.S.A. 17:22A-40a(18) and N.J.S.A. 17:22A-47b; and

NOW, THEREFORE, IT IS on this 20<sup>th</sup> day of October, 2017

ORDERED, that Respondent appear and show cause why her New Jersey insurance producer license shall not be suspended or revoked pursuant to N.J.S.A. 17:22A-40a; and

IT IS FURTHER ORDERED, that Respondent 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 pursuant to the provisions of N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED, that Respondent appear and show cause why she should not be required to pay restitution and to reimburse the Department for the cost of the investigation and prosecution fees, as authorized pursuant to N.J.S.A. 17:22A-45c; and

IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at her 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 Respondent, and the Commissioner shall dispose of this matter in accordance with the 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.

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 the 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.

  
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Peter L. Hartt  
Director of Insurance