

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 revoke	)	CONSENT
the insurance producer licenses of James S. Ho,	)	ORDER
Reference No. 0090233, and Sunlly Associates,	)	
Inc., Reference No: 0218692	)	

TO: James S. Ho	Sunlly Associates, Inc.
50-27 193 <sup>rd</sup> Street	45-17 Marathon Parkway, 2 <sup>nd</sup> Floor
Fresh Meadows, NY 11365	Little Neck, NY 11362

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that James S. Ho (“Ho”), currently licensed as a nonresident insurance producer, pursuant to N.J.S.A. 17:22A-34a, and Sunlly Associates, Inc. (“Sunlly”), formerly licensed as a nonresident business entity insurance producer, pursuant to N.J.S.A. 17:22A-34a, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Ho is currently licensed as a nonresident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-34a; and

WHEREAS, Sunlly was licensed as a nonresident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-34a until its license expired on May 31, 2015; and

WHEREAS, Ho was a designated responsible licensed producer of Sunlly; and

WHEREAS, Ho and Sunlly (collectively “Respondents”) are subject to the provisions of New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26

to -48 (the "Producer Act"), and the regulations governing Producer Licensing, N.J.A.C. 11:17-1.1 to -7.7, and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a, the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license, and may levy a civil penalty, for a violation of the Producer Act; 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-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(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.S.A. 17:22A-40a(17), an insurance producer shall not knowingly facilitate or assist another person in violating any insurance laws; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(19), an insurance producer shall not fail to notify the Commissioner within 30 days of the final disposition of any formal disciplinary proceedings initiated against the insurance producer, or disciplinary action taken against the producer, by the Financial Industry Regulatory Authority ("FINRA"), any successor organization, or other similar non-governmental regulatory authority with statutory authority to create and enforce industry standards of conduct, or of any other administrative actions or criminal prosecutions, as required by sections 15 and 22 of P.L. 2001, c. 210 (N.J.S.A. 17:22A-40 and 17:22A-47), or fail to supply any documentation the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-41a, an insurer or insurance producer shall not pay a commission, service fee, brokerage or other valuable consideration to a person for selling, soliciting or negotiating insurance in the State if that person is required to be licensed under the Producer Act and is not so licensed; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47c, an insurance producer shall report to the Commissioner any disciplinary action taken against the insurance producer, or any formal disciplinary proceedings initiated against the producer, by FINRA, any successor organization, or other similar non-governmental regulatory authority with statutory authority to create and enforce industry standards of conduct, within 30 days of the final disposition of the matter; the report shall include a copy of the order, consent order or other relevant legal documents; and

WHEREAS, pursuant to N.J.A.C. 11:17-2.2(c), no person shall be authorized to transact business regarding contracts on a variable basis unless that person also holds a securities license as required by this State or any other state or any Federal law, as

applicable, and maintains an active producer license in this State with variable life and variable annuity authority; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(d), no licensed insurance producer shall permit or allow any unlicensed person to transact the business of an insurance producer; and

WHEREAS, on or about from the period of May 2011 through September 2014, the Respondents caused, permitted or were otherwise responsible for accepting applications for variable life insurance solicited by, and sharing commissions with, a person who was not registered with FINRA or licensed as a producer, in violation of N.J.S.A. 17:22A-40a(2), (8) and (17), N.J.S.A. 17:22A-41a, N.J.A.C. 11:17A-1.3(d) and N.J.A.C. 11:17-2.2(c); and

WHEREAS, on or about July 27, 2016, Ho was suspended and assessed a fine by FINRA based on the aforementioned activity; and

WHEREAS, Ho failed to report to the New Jersey Department of Banking and Insurance ("Department") the FINRA activity within 30 days, in violation of N.J.S.A. 17:22A-40a (2) and (19) and N.J.S.A. 17:22A-47c; and

WHEREAS, Respondents:

- 1) Have admitted responsibility for the aforementioned violations; and
- 2) Have cooperated with the investigation conducted by the Department; and

WHEREAS, this matter should be resolved upon consent of the parties without resort to a formal hearing on the aforementioned violations;

NOW, THEREFORE, IT IS on this 3<sup>rd</sup> day of July, 2018

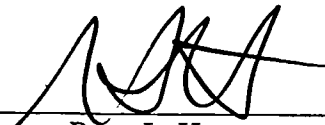
ORDERED and AGREED, that Respondents Ho, Reference Number 0090233, and Sunlly, Reference Number 0218692, consent to the revocation of their nonresident insurance producer licenses, pursuant to N.J.S.A. 17:22A-40a, and said licenses shall be immediately returned to the Department upon execution of this Consent Order by Respondents, and sent to the attention of:

New Jersey Department of Banking and Insurance  
Attention: Virgil Downtin, Chief of Investigations  
9th Floor, Consumer Protection Services, Enforcement Unit  
P O Box 329  
Trenton, New Jersey 08625-0329

and

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.A.C. 11:17D-2.7, the Respondents are barred from reapplying for insurance producer licenses for a period of five years from the date of the Commissioner's issuance of this Consent Order; and

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

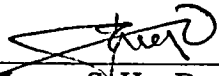


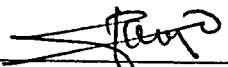
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Peter L. Hartt  
Director of Insurance

Consented to as to  
Form, Content and Entry

Sunlly Associates, Inc.

By:   
James S. Ho, Designated  
Responsible Licensed Producer  
for Sunlly Associates, Inc.

  
James S. Ho/ Individually

Date: 6/25/2018