

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 Louis Polite, Jr., Reference No.
8208904.

)
)
)
)
)
)

TO: Louis Polite, Jr.
15 Seeley Drive
Westampton, New Jersey 08060

This matter, having been opened by the Commissioner of Banking and Insurance, State of New Jersey ("Commissioner"), upon information that Louis Polite, Jr. ("Polite" or "Respondent") may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Polite is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 ("Producer Act") and the Producer Licensing regulations promulgated thereunder, N.J.A.C. 11:17-1.1 to -2.17, 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-40(d), the Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by this 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 this 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-29, a person shall not sell, solicit or negotiate insurance in this State unless the person is licensed for that line of authority in accordance with this act; and

WHEREAS, pursuant to N.J.A.C. 11:17D-2.5(e), no person whose license has been suspended or revoked may be a partner, officer, director or owner of a licensed business entity, or otherwise be employed in any capacity by an insurance producer; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(a), no person shall act as an insurance producer without first obtaining a license from the Commissioner granting authority for the kind of insurance transacted; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(b), any person who solicits, negotiates or sells contracts of insurance in New Jersey shall be considered to be transacting the business of insurance in New Jersey so as to require licensure as an insurance producer; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(c), engaging in a single act or transaction of the business of an insurance producer, or holding oneself out to the public or an insurance producer as being so engaged, shall be sufficient proof of engaging in the business of an insurance producer as to require licensure; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty, or may take any combination of actions for violating the Producer Act, for any one or more of the following causes: (2) violating any insurance laws, or violating any regulation, subpoena or order of the commissioner or of another state's insurance regulator; (8) using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or

financial irresponsibility in the conduct of insurance business in this State or elsewhere; and (16) committing any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any licensee violating the Producer Act and/or the Insurance Producer Standards of Conduct is subject 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

GENERAL ALLEGATIONS

IT APPEARING, that Polite was licensed as a resident insurance producer in 1984 and held said license until it was revoked by the Commissioner pursuant to Final Order E11-98 dated November 15, 2011; and

IT FURTHER APPEARING, that AVS Insurance Agency, Inc. ("AVS Insurance") was a business entity formed in May 2005 under the laws of New Jersey, and became licensed in May 2005 as an insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32(a), until its license was cancelled on September 28, 2020¹; and

IT FURTHER APPEARING, that between 2016 and 2018, at which time his insurance license was revoked, Polite was an employee of and/or maintained an agency relationship with AVS Insurance, in that he solicited insurance business on behalf of AVS Insurance and/or held himself out to the public and to clients of AVS Insurance as an insurance agent authorized to engage in insurance related activities and transact insurance business, which acts included but were

¹At all relevant times, Tonya Stroud, formerly licensed as an insurance producer in New Jersey, was the owner and Designated Responsible Licensed Producer of AVS Insurance. Ms. Stroud passed away on September 28, 2020, and AVS Insurance has since ceased all operations and business activities in New Jersey.

not limited to conferring directly with or offering advice directly to a purchaser or prospective purchaser of insurance products and/or service; and

IT FURTHER APPEARING, that during his employment and/or agency relationship with AVS Insurance, Polite used the alias "P.J." and/or "P.J. Villatoro" for the purpose of concealing his identity and obscuring his activity as an unlicensed person transacting the business of insurance in New Jersey; and

COUNT ONE

IT FURTHER APPEARING, that on multiple occasions while employed by AVS Insurance, Polite conferred directly with "P.V.," the owner of a New Jersey construction business, for the purpose of soliciting and/or conducting insurance business on behalf of AVS Insurance; and

IT FURTHER APPEARING, that on multiple occasions while employed by AVS Insurance, Polite discussed with P.V. the terms or conditions of various contracts or policies of insurance, and also directly sold to P.V. several contracts or policies of insurance; and

IT FURTHER APPEARING, that at all times during his interactions with P.V., Polite held himself out as an employee or agent of AVS Insurance, and as a person authorized to conduct insurance business on behalf of P.V. and his company; and

IT FURTHER APPEARING, that Polite's conduct on behalf of AVS Insurance constituted being employed by an insurance producer, and his interactions with P.V. constituted sufficient proof of engaging in the business of an insurance producer as to require licensure, and having undertaken these activities while his license as insurance produced was revoked, Polite violated N.J.S.A. 17:22A-29, N.J.A.C. 11:17A-1.3(a), (b) and (c); N.J.A.C. 11:17D-2.5(e); and N.J.A.C. 11:17D-2.5(e); and N.J.S.A. 17:22A-40(a)(2), (8) and (16);and

COUNT TWO

IT FURTHER APPEARING, that on multiple occasions while employed by AVS Insurance, Polite conferred directly with "V.C.," the owner of a New Jersey construction business, for the purpose of soliciting and/or conducting insurance business on behalf of AVS Insurance; and

IT FURTHER APPEARING, that on multiple occasions while employed by AVS Insurance, Polite discussed with V.C the terms or conditions of various contracts or policies of insurance, and also directly sold to V.C. several contracts or policies of insurance; and

IT FURTHER APPEARING, that at all times during his interactions with V.C., Polite held himself out as an employee or agent of AVS Insurance, and a person authorized to conduct insurance business on behalf of V.C. and his company; and

IT FURTHER APPEARING, that Polite's conduct on behalf of AVS Insurance constituted being employed by an insurance producer, and his interactions with V.C. constituted sufficient proof of engaging in the business of an insurance producer as to require licensure, and having undertaken these activities while his license as insurance produced was revoked, Polite violated N.J.S.A. 17:22A-29, N.J.A.C. 11:17A-1.3(a), (b) and (c); N.J.A.C. 11:17D-2.5(e); and N.J.A.C. 11:17D-2.5(e); and N.J.S.A. 17:22A-40(a)(2), (8) and (16);and

COUNT THREE

IT FURTHER APPEARING, that on multiple occasions while employed by AVS Insurance, Polite conferred directly with "J.C.," the owner of a New Jersey construction business, for the purpose of soliciting and/or conducting insurance business on behalf of AVS Insurance; and

IT FURTHER APPEARING, that on multiple occasions while employed by AVS Insurance, Polite discussed with J.C the terms or conditions of various contracts or policies of insurance, and also directly sold to J.C. several contracts or policies of insurance; and

IT FURTHER APPEARING, that on multiple occasions while employed by AVS Insurance, Polite directly contacted Leon Silver Associates, LLC ("Leon"), a formerly-licensed insurance underwriter and wholesale broker operating in Cranford, New Jersey, to obtain insurance policy quotes, secure insurance binders and conduct other insurance business on behalf of J.C and his company; and

IT FURTHER APPEARING, that at all times during his interactions with J.C. and Leon, Polite held himself out as an employee or agent of AVS Insurance, and a person authorized to conduct insurance business on behalf of J.C. and his company; and

IT FURTHER APPEARING, that Polite's conduct on behalf of AVS Insurance constituted being employed by an insurance producer, and his interactions with J.C. and Leon constituted sufficient proof of engaging in the business of an insurance producer as to require licensure, and having undertaken these activities while his license as insurance produced was revoked, Polite violated N.J.S.A. 17:22A-29, N.J.A.C. 11:17A-1.3(a), (b) and (c); N.J.A.C. 11:17D-2.5(e); and N.J.A.C. 11:17D-2.5(e); and N.J.S.A. 17:22A-40(a)(2), (8) and (16);and

NOW, THEREFORE, IT IS on this 8th day of January, 2023

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

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty of not more than \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act and/or the Producer Standards

of Conduct regulations, and order Respondent to pay restitution of moneys owed to any person, pursuant to the provisions of N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why, in addition to any other penalty, he should not be required to reimburse the Department for the costs of the investigation and prosecution as authorized by N.J.S.A. 17:22A-45(c); 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 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 Respondent and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Dowtin, 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. A copy of the request for a hearing shall also be sent to Dakar R. Ross, Deputy Attorney General, Department of Banking and Insurance, P.O. Box 117, Trenton, New Jersey 08625. The request from each respondent 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 a hearing.


Justin Zimmerman
Acting Commissioner