

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,)	ORDER TO SHOW CAUSE
to fine, suspend and/or revoke the insurance)	
producer license of Kenneth Clark,)	
Reference No. 1643097.)	

TO: Kenneth Clark
726 Donald Avenue
Perth Amboy, New Jersey 08861

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

WHEREAS, Clark was licensed as a resident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32(a), until said license expired on or about July 31, 2019; 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 to -48 (“Producer Act”), the Producer Licensing regulations promulgated thereunder, N.J.A.C. 11:17-1.1 to -2.17, the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8, and the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 to -30 (“Fraud Act”); 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-40(a)(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-40(a)(7), an insurance producer shall not commit any insurance unfair trade practice or fraud; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(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;

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(10), an insurance producer shall not forge another's name to an application for insurance or to any document related to an insurance transaction; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(16), an insurance producer shall not commit any fraudulent act; 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.S.A. 17:33A-4(a)(4)(b) of the Fraud Act, a person shall not to prepare or make any written or oral statement, intended to be presented to any insurance company or producer for the purpose of obtaining an insurance policy, knowing that the statement contains

any false or misleading information concerning any fact or thing material to an insurance application; 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; 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

WHEREAS, pursuant to N.J.S.A. 17:33A-5(c), violations of the Fraud Act subject the violator to a civil and administrative penalty of not more than \$5,000.00 for the first violation, \$10,000.00 for the second violation and \$15,000.00 for each subsequent violation; moreover, the Commissioner may issue a final order assessing restitution and costs of prosecution, including attorneys' fees; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, in addition to any other penalty, fine or charge imposed pursuant to law, any person who is found in any legal proceeding to have committed insurance fraud shall be subject to a surcharge in the amount of \$1,000.00; and

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that at all relevant times, Respondent was a New Jersey licensed resident insurance producer; and

IT FURTHER APPEARING, that at all relevant times, Respondent was an agent for American Income Life Insurance Company ("American Income"), a duly licensed life insurance

company, and authorized to sell life insurance policies on behalf of American Income for a commission payment; and

IT FURTHER APPEARING, that effective February 18, 2018, American Income terminated Clark's employment for engaging in fraudulent and dishonest practices in his capacity as an insurance agent for the company; and

COUNT ONE

IT FURTHER APPEARING, that on or about February 4, 2018, as the agent of record, Respondent completed, signed and submitted to American Income an application for a life insurance policy in the name of "P.R."; and

IT FURTHER APPEARING, that on said date, Respondent then received a commission payment from American Income in the amount of \$312.41 for the purported sale of a life insurance policy to P.R.; and

IT FURTHER APPEARING, that in the process of reviewing and verifying the information in said insurance application, American Income determined that certain personal identifying information provided for P.R., including the applicant's address and bank account information, was false and fraudulent; and

IT FURTHER APPEARING, that upon further investigation, American Income determined that P.R. had neither completed, approved nor signed the life insurance application submitted by Respondent to American Income, and that P.R. had no personal knowledge of nor any business dealings with the Respondent; and

IT FURTHER APPEARING, that American Income ultimately declined to issue an insurance policy in the name of P.R., but was unable to void or recoup its commission payment made to Respondent; and

IT FURTHER APPEARING, that for the purpose of receiving a commission from American Income, Respondent forged the name and signature of P.R. on an insurance policy application submitted to American Income, in violation of N.J.S.A. 17:22A-40(a)(10); and

IT FURTHER APPEARING, that that for the purpose of receiving a commission from American Income, Respondent engaged in fraudulent and dishonest practices in the conduct of insurance business by forging the name and signature of P.R. on an insurance application and submitting said application knowing it contained personal identifying information for P.R. which was false and fictitious, in violation of N.J.S.A. 17:22A-40(a)(2), (7), (8) and (16); and

IT FURTHER APPEARING, that for the purpose of obtaining an insurance policy and receiving a commission, Respondent submitted to American Income an insurance application of behalf of P.R. knowing it contained false and misleading information material to the application, specifically the forged name and signature of P.R. and false and fictitious personal identifying information for P.R., in violation of N.J.S.A. 17:33A-4(a)(4)(b); and

COUNT TWO

IT FURTHER APPEARING, that on or about February 4, 2018, as the agent of record, Respondent competed, signed and submitted to American Income an application for a life insurance policy in the name of "L.B."; and

IT FURTHER APPEARING, that on said date, Respondent then received a commission payment from American Income in the amount of \$229.75 for the purported sale of a life insurance policy to L.B.; and

IT FURTHER APPEARING, that in the process of reviewing and verifying the information said insurance application, American Income determined that certain personal identifying

information provided for L.B., including the applicant's employment and bank account information, was false and fraudulent; and

IT FURTHER APPEARING, that upon further investigation, American Income determined that L.B. had neither completed, approved nor signed the life insurance application submitted by Respondent to American Income, and that L.B. had no personal knowledge of nor any business dealings with the Respondent; and

IT FURTHER APPEARING, that American Income ultimately declined to issue an insurance policy in the name of L.B., but was unable to void or recoup its commission payment made to Respondent; and

IT FURTHER APPEARING, that for the purpose of receiving a commission from American Income, Respondent forged the name and signature of L.B. on an insurance policy application submitted to American Income, in violation of N.J.S.A. 17:22A-40(a)(10); and

IT FURTHER APPEARING, that that for the purpose of receiving a commission from American Income, Respondent engaged in fraudulent and dishonest practices in the conduct of insurance business by forging the name and signature of L.B. on an insurance application and submitting said application knowing it contained personal identifying information for L.B. which was false and fictitious, in violation of N.J.S.A. 17:22A-40(a)(2), (7), (8) and (16); and

IT FURTHER APPEARING, that for the purpose of obtaining an insurance policy and receiving a commission, Respondent submitted to American Income an insurance application of behalf of L.B. knowing it contained false and misleading information material to the application, specifically the forged name and signature of L.B. and false and fictitious personal identifying information for L.B., in violation of N.J.S.A. 17:33A-4(a)(4)(b); and

COUNT THREE

IT FURTHER APPEARING, that in or about March 2018, the New Jersey Department of Banking and Insurance (“NJDOBI”) opened an investigation into the insurance business practices of Respondent while employed by American Income; and

IT FURTHER APPEARING, that in an effort to obtain information and documents from Respondent pertinent to its investigation, NJDOBI issued several “Letters of Inquiry” and otherwise made extensive efforts to contact Respondent via email, telephone, and making field visits to Respondent’s home and work addresses; and

IT FURTHER APPEARING, that Respondent failed to respond to NJDOBI’s “Letters of Inquiry” and otherwise ignored all efforts by NJDOBI to obtain requested information and documents pertinent to its investigation, in violation of N.J.A.C. 11:17A-4.8 and N.J.S.A. 17:22A-40(a)(2); and

NOW, THEREFORE, IT IS on this 2nd day of March, 2026:

ORDERED, that Respondent appear and show cause why his New Jersey insurance producer license 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 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 FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a penalty of up to \$5,000 for the first violation, up to \$10,000 for the second violation, and up to \$15,000 for each subsequent violation of the Fraud Act, and order restitution, pursuant to N.J.S.A. 17:33A-5(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess costs of prosecution, including attorneys' fees, pursuant to N.J.S.A. 17:33A-5(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a surcharge in the amount of \$1,000.00 against Respondent, pursuant to N.J.S.A. 17:33A-5.1; and

IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at his 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 Matthew Gervasio, Supervising Investigator, 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.



Susan Ochs
Acting Commissioner