

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)
suspend, and/or revoke the insurance producer)
license of Leon A. Lowenthal, Reference No.)
1114884.)
_____)

FINAL ORDER

TO: Leon A. Lowenthal
5 Hopal Lane
Monsey, New York 10952

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon issuance of Order to Show Cause E26-17 (the “OTSC”) alleging that Leon A. Lowenthal (“Respondent”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was previously licensed as a non-resident insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-34, from June 14, 2007, until his license expired on May 31, 2018; 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 New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 to -30 (“Fraud Act”), and the regulations promulgated thereunder, N.J.A.C. 11:16-1.1 to -7.10, the Producer Licensing regulations, 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 Persons Employed in the Business of Insurance regulations, N.J.A.C. 11:17E-1.1 to -1.7; 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 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 of 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)(5), an insurance producer shall not intentionally misrepresent the terms of an actual or proposed insurance contract, policy or application for insurance; 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 any fraudulent, coercive, or dishonest practices, or demonstrate incompetence or untrustworthiness in the conduct of insurance business; and

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-4.2, in cases where an applicant's signature is required, an insurance producer who takes an application for insurance shall be required to witness the signature of the prospective insured on the application prior to the submission of the application to the insurer only when the application is signed by the applicant after having been completed in fact to fact meeting between the producer and the prospective insured; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.10, an insurance producer acts in a fiduciary capacity in the conduct of his or her insurance business; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(a), the Commissioner shall have the power to conduct investigations, to administer oaths, to interrogate licensees and others, and to issue subpoenas to any licensee or any other person in connection with any investigation, hearing or other proceeding pursuant to this act, without fee; 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 for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense. Each transaction or statutory violation shall constitute a separate offense. Moreover, 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-4(a)(3), no personal shall conceal or knowingly fail to disclose the occurrence of an event which affects any person's initial or continued right or

entitlement to (a) any insurance benefit or payment or (b) the amount of any benefit or payment to which the person is entitled; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(a)(4)(b), no person shall 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 or contract; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5(a) and (c), violations of the Fraud Act subject the violator to a civil and administrative penalty not to exceed \$5,000.00 for the first offense, not to exceed \$10,000.00 for the second offense, and not to exceed \$15,000.00 for each subsequent offense; moreover, the Commissioner may issue a final order recovering costs of prosecution, including attorneys' fees in accordance with N.J.A.C. 11:16-7.9(c); and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, 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

WHEREAS, on January 20, 2026, the Commissioner issued the OTSC, alleging that Respondent violated various New Jersey insurance laws by as set forth in the following:

ALLEGATIONS COMMON TO ALL COUNTS

APPLICATION OF P.U.

IT APPEARING, that on or about February 9, 2016, Respondent submitted an application for a New Jersey life insurance policy to Fidelity purportedly on behalf of "P.U.," but without P.U.'s knowledge or consent; and

IT FURTHER APPEARING, that Respondent forged P.U.'s signature, as well as the signature of the notary public, on the application submitted to Fidelity on February 9, 2016, purportedly

on behalf of P.U.; and

IT FURTHER APPEARING, that although P.U. actually resided in Brooklyn, New York, Respondent misrepresented to Fidelity that P.U. resided in New Jersey, and Respondent fabricated and submitted support for the false address; and

IT FURTHER APPEARING, that Respondent submitted the application for a New Jersey life insurance policy purportedly on behalf of P.U. in order to earn a greater commission for Respondent; and

IT FURTHER APPEARING, that Respondent concealed from Fidelity that the life insurance policy premium was being paid for by someone other than P.U.; and

APPLICATION OF E.F.

IT FURTHER APPEARING, that on or about June 27, 2016, Respondent submitted an application for a New Jersey life insurance policy to Fidelity purportedly on behalf of "E.F.," but without E.F.'s knowledge or consent; and

IT FURTHER APPEARING, that Respondent forged E.F.'s signature, as well as the signature of the notary public, on the application submitted to Fidelity on or about June 27, 2016, purportedly on behalf of E.F.; and

IT FURTHER APPEARING, that although E.F. actually resided in Brooklyn, New York, Respondent misrepresented to Fidelity that E.F. resided in New Jersey and Respondent fabricated and submitted support for the false address; and

IT FURTHER APPEARING, Respondent submitted the application for a New Jersey life insurance policy purportedly on behalf of E.F. in order to earn a greater commission for Respondent; and

IT FURTHER APPEARING, that Respondent concealed from Fidelity that the life insurance policy premium was being paid for by someone other than E.F.; and

APPLICATION OF C.B.

IT FURTHER APPEARING, that on or about July 18, 2016, Respondent submitted an application for a New Jersey life insurance

policy to Fidelity purportedly on behalf of “C.B.,” but without C.B.’s knowledge or consent; and

IT FURTHER APPEARING, that Respondent forged C.B.’s signature, as well as the signature of the notary public, on the application submitted to Fidelity on or about July 18, 2016, purportedly on behalf of C.B.; and

IT FURTHER APPEARING, that although C.B. actually resided in Brookly, New York, Respondent misrepresented to Fidelity that C.B. resided in New Jersey and Respondent fabricated and submitted support for the false address; and

IT FURTHER APPEARING, Respondent submitted the application for a New Jersey life insurance policy purportedly on behalf of C.B. in order to earn a greater commission for Respondent; and

IT FURTHER APPEARING, that Respondent concealed from Fidelity that the life insurance policy premium was being paid for by someone other than C.B.; and

APPLICATION OF A.B.

IT FURTHER APPEARING, that on or about September 13, 2016, Respondent submitted an application for a New Jersey life insurance policy to Fidelity purportedly on behalf of “A.B.,” but without A.B.’s knowledge or consent; and

IT FURTHER APPEARING, that Respondent forged A.B.’s signature, as well as the signature of the notary public, on the application submitted to Fidelity on or about September 13, 2016, purportedly on behalf of A.B.; and

IT FURTHER APPEARING, that although A.B. actually resided in Brookly, New York, Respondent misrepresented to Fidelity that A.B. resided in New Jersey and Respondent fabricated and submitted support for the false address; and

IT FURTHER APPEARING, Respondent submitted the application for a New Jersey life insurance policy purportedly on behalf of A.B. in order to earn a greater commission for Respondent; and

IT FURTHER APPEARING, that Respondent concealed from Fidelity that the life insurance policy premium was being paid

for by someone other than A.B.; and

RESPONDENT’S CRIMINAL CONVICTION

IT FURTHER APPEARING, that Respondent was indicted on or about February 18, 2020, and charged with one count of fourth degree theft by deception for this conduct, in the State of New Jersey v. Leon A. Lowenthal, Accusation No. 20-08-0230; and

IT FURTHER APPEARING, that on or about August 27, 2020, pursuant to a plea agreement, Respondent pleaded guilty to one count of disorderly persons theft by deception and was sentenced to one year of noncustodial probation and payment of court costs; and

IT FURTHER APPEARING, that on or about August 27, 2020, Respondent admitted that he obtained property “by creating and reinforcing a false impression” with Fidelity that the aforementioned life insurance applicants “were not borrowing money to pay for their premiums for their respective policies” when he knew that the policies had actually been paid for “by someone other than the applicants,”; and

IT FURTHER APPEARING, that at that same court appearance, Respondent admitted that he did this “for the purpose of generating and receiving commissions” for those life insurance policies; and

IT FURTHER APPEARING, that Respondent admitted that the aforementioned conduct was done “knowingly and purposefully with the intent to deceive [Fidelity]”; and

COUNT ONE
(Producer Act)

IT FURTHER APPEARING, that Respondent engaged in fraudulent, dishonest and untrustworthy practice by producing and submitting four separate fraudulent applications for insurance, each claim constituting a separate offense under the Producer Act, in violation of N.J.S.A. 17:22A-40(a)(2), (5), (7), (8), (10), and (16) and N.J.A.C. 11:17A-4.2; and

COUNT TWO
(Fraud Act)

IT FURTHER APPEARING, that Respondent, in relation to four applications for life insurance policies, concealed or knowingly failed to disclose the applicants' true residential addresses, as well as the source of payment for the insurance premiums, which affected the applicants' initial or continued right or entitlement to (a) any insurance benefit or payment or (b) the amount of any benefit or payment to which the person is entitled, in violation of N.J.S.A. 17:33A-4(a)(3); and

COUNT THREE
(Fraud Act)

IT FURTHER APPEARING, that Respondent, in relation to four applications for life insurance policies, prepared or made written or oral statements, 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 or contract, in violation of N.J.S.A. 17:33A-4(a)(4)(b); and

IT FURTHER APPEARING that Respondent was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to the OTSC; and

IT FURTHER APPEARING that as set forth in the Certification of Chandra M. Arkema, attached as Exhibit A, on January 22, 2026, the OTSC was served upon Respondent by regular and certified mail, return receipt requested; and

IT FURTHER APPEARING that mailed service of the OTSC upon Respondent constitutes lawful service, pursuant to N.J.A.C. 11:17D-2.1(a)(3); and

IT FURTHER APPEARING that Respondent failed to provide written responses to the charges contained in the OTSC within 20 days as provided by N.J.A.C. 11:17D-2.1(d)(1), and therefore has waived his right to a hearing to contest these charges and the charges are deemed admitted, pursuant to N.J.A.C. 11:17D-2.1(b)(1); and

IT FURTHER APPEARING, that in Kimmelman v. Henkels & McCoy, Inc., 108 N.J. 123, 137-139 (1987), the Supreme Court established seven factors to be considered in determining the imposition of civil finds in administrative proceedings (“Kimmelman Factors”); and

IT FURTHER APPEARING, that the seven Kimmelman Factors are as follows: (1) the good or bad faith of the defendant; (2) defendant’s ability to pay a civil fine; (3) the amount of the profits obtained from the illegal activity; (4) the injury to the public; (5) the duration of the misconduct; (6) the existence of criminal or treble damages actions; and (7) the past violations of the defendant; and

WHEREAS, the Commissioner has reviewed the Kimmelman Factors and finds that Respondent, on multiple occasions, showed bad faith by knowingly and purposefully with the intent to deceive completing and submitting life insurance applications that contained false information for the purpose of generating and receiving commissions. For his illegal activity, Respondent was prosecuted criminally by the Office of the Insurance Fraud Prosecutor (“OIFP”) wherein he pleaded guilty to a disorderly persons offense.

NOW, THEREFORE, IT IS on this 13 day of March, 2026,

ORDERED, that the charges contained in the OTSC are deemed admitted by Respondent due to his failure to respond to the charges, pursuant to N.J.A.C. 11:17D-2.1(b)(1); and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-40 and N.J.A.C. 11:17D-2.1(b)(2), the insurance producer license of Respondent is **REVOKED** effective upon execution of this Final Order; and

IT IS FURTHER ORDERED, that based upon the Kimmelman factors, Respondent shall be responsible for the payment totaling \$40,000.00 in civil penalties for violations of the Producer Act, Fraud Act, and other insurance laws cited above as follows:

Respondent shall be responsible for the payment of civil penalties to the Division of Insurance Enforcement totaling \$20,000.00 for the Producer Act violations as described in Count 1 of the Order to Show Cause; and

Respondent shall be responsible for the payment of civil penalties to the Bureau of Fraud Deterrence totaling \$20,000.00 for the Fraud Act violations described in Counts 2 and 3 of the Order to Show Cause; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45(c) and N.J.A.C. 11:1-32.4(b)(20), Respondent shall reimburse the Department of Banking and Insurance, Division of Insurance Enforcement, for the costs associated with the investigation and prosecution of this matter, as evidenced by the Certification of Costs by Investigator Gervasio (attached as Exhibit B), totaling \$1,500.00. The Commissioner has reviewed the investigative costs application and finds the amount of time to be reasonable; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:33A-5c, Respondent shall reimburse the Department of Banking and Insurance, Bureau of Fraud Deterrence, for the attorneys' fees associated with the investigation and prosecution of this matter, as evidenced by the Certification of Chandra M. Arkema, totaling \$4,082.00. The Commissioner has reviewed the attorneys' fees application and finds the amount of time to be reasonable; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:33A-5.1, Respondent shall pay the Department of Banking and Insurance, Bureau of Fraud Deterrence, a statutory fraud surcharge in the amount of \$1,000.00; and

IT IS FURTHER ORDERED, that Respondent shall pay the above fines and costs totaling \$46,582.00 by remitting full payment to the Commissioner of Banking and Insurance, State of New Jersey, 20 West State Street, P.O. Box 329, Trenton, New Jersey 08625, Attention: Matthew

Gervasio, Supervisor of Investigations by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," within ten (10) days from the date of service of this Order; and

IT IS FURTHER ORDERED, that in the event full payment of the fines and costs is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid penalties, in accordance with the Penalty Enforcement Law of 1999, N.J.S.A. 2A:58-10 to -12; and

IT IS FURTHER ORDERED, that the fines in this Final Order are imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and the protection of the public health, safety and welfare, and are not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED, that the provisions of this Final Order represent a final agency decision and constitute a final resolution of the allegations contained in the OTSC.



Susan Ochs
Acting Commissioner