

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 license )  
of Victor L. Fonseca, Reference No. )  
1061611, and Goretti Nobre, LLC, Reference )  
No. 1658431. )

**ORDER TO SHOW CAUSE**

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TO: Victor L. Fonseca  
336 Paterson Plank Road  
Jersey City, New Jersey 07307

Goretti Nobre, LLC  
c/o Victor L. Fonseca  
336 Paterson Plank Road  
Jersey City, New Jersey 07307

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Victor L. Fonseca (“Respondent Individual Fonseca”), owner and Designated Responsible Licensed Producer (“DRLP”) of Goretti Nobre, LLC (“Respondent Company Goretti”) (collectively, “Respondents”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent Individual Fonseca is licensed by the Department as a non-resident insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-34(a); and

WHEREAS, Respondent Company Goretti is licensed as a resident business entity producer, pursuant to N.J.S.A. 17:22A-32(b); and

WHEREAS, Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act, N.J.S.A. 17:22A-1 to -57 (the “Producer Act”), 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-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 the Producer Act; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(a), no person shall act as an insurance producer or maintain or operate any office in this State for the transaction of the business of an insurance producer, or receive any commission, brokerage fee, compensation or other consideration for services rendered 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.S.A. 17:22A-40(a)(2), an insurance producer shall not violate any insurance laws, regulation, subpoena, or order of the Commissioner or another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(4), an insurance producer shall not improperly withhold, misappropriate, or convert any monies or properties received in the course of doing insurance business; 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 shall not have admitted or been found to have committed 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; 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.S.A. 17:22A-40(a)(17), an insurance producer shall not knowingly facilitate or assist another person in violating any insurance laws; and

WHEREAS, pursuant to N.J.A.C. 11:17B-3.1(b), an insurance producer shall not charge a fee to an insured or prospective insured unless the insurance producer first obtained a written agreement and shall contain the following provisions and no other provisions: 1. A clear statement of the amount of the fee to be charged and the nature of the service to be provided therefor; 2. A statement that such fees are not a part of the premium charged by the insurance company and that such fees can be charged only if the insured or prospective insured so consents in writing; 3. A clear statement as to whether a commission will be received from the purchase of insurance; and 4. The signature of the insured or prospective insured and the licensed insurance producer and the date of execution of the agreement; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.2(a), an insurance producer shall remit premium funds to the insurer within five business days after receipt of the funds; and

WHEREAS, pursuant to N.J.S.A. 17:22A-32(b)(2), a business entity is to designate a licensed insurance producer responsible for the business entity's compliance with the insurance laws, rules and regulations of this State; and

WHEREAS, pursuant to N.J.A.C. 11:1-12.2(a), active officers shall be held individually responsible for all insurance related conduct of the corporate licensee; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.6(c), licensed partners, officers and directors, and all owners with an ownership interest of 10 percent or more in the organization shall be held

responsible for all insurance related conduct of the organization licensee, any of its branch offices, its other licensed officers or partners, and its employees; 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; 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 Respondent Individual Fonseca was first licensed on February 6, 2006; and

IT FURTHER APPEARING, that Respondent Individual Fonseca originally filed to form Respondent Company Goretti in the State of New Jersey in October 2017; and

IT FURTHER APPEARING, that Respondent Company Goretti's resident business entity insurance producer license was first effective on December 1, 2017; and

IT FURTHER APPEARING, that Respondent Individual Fonseca was employed with Hugh Wood Inc. from November 7, 2015 until his termination on December 27, 2017; and

IT FURTHER APPEARING, that Hugh Wood Inc. is an international insurance broker that services all classes of property, casualty, and marine insurance; and

IT FURTHER APPEARING, that Hugh Wood Inc. is given software, parameters, and authority by certain insurance companies to create and bind individual policies on behalf of each respective insurance company; and

IT FURTHER APPEARING, that, on September 8, 2015, Hugh Wood Inc. employed Jason Cavallo (“Cavallo”) as a Senior Vice President of Marketing and Business Development; and

IT FURTHER APPEARING, that Cavallo, was previously licensed as an insurance producer and on February 10, 2021, entered a Consent Order with the Department admitting violations of the Producer Act in aiding Respondents for the same violations alleged herein and agreed to a \$15,000.00 civil monetary penalty; and

IT FURTHER APPEARING, that First Insurance Funding Corporation provides commercial loans to insurance brokers meant for payment of insurance premiums; and

IT FURTHER APPEARING, that Respondents engaged in misconduct related to two clients, as alleged below; and

**COUNT ONE**  
**(Regarding Client Company A)**

IT FURTHER APPEARING, that, in November 2017, Respondent Individual Fonseca, purportedly on behalf of Respondent Individual Fonseca’s then-employer Hugh Wood Inc., began communicating with a real estate development company (referred to herein as “Client Company A”) about property coverage, general liability, and umbrella coverage insurance; and

IT FURTHER APPEARING, that, on or about November 15, 2017, Respondent Individual Fonseca received from Respondent Individual Fonseca’s then-employer Hugh Wood Inc. a proposal for Client Company A for Property, Commercial General Liability and Umbrella Liability insurance coverage with various insurance companies with an annual premium due of \$24,775.00; and

IT FURTHER APPEARING, that, upon information and belief, Respondents enlisted the help of Cavallo to assist them with the acts described herein, as described below; and

IT FURTHER APPEARING, that Cavallo, acting at Respondents' direction, requested Respondent Individual Fonseca's then-employer Hugh Wood Inc. to reduce the annual premium for Client Company A to be more competitive; and

IT FURTHER APPEARING, Respondent Individual Fonseca's then-employer Hugh Wood Inc. then provided to Cavallo a revised proposal for Client Company A for a \$20,927.00 annual premium, pro-rated at \$12,619.00 for approximately seven months starting November 22, 2017 and expiring on June 30, 2018; and

IT FURTHER APPEARING, that Cavallo, on behalf of Respondents, had falsely represented to Client Company A that Respondents were partners with Respondent Individual Fonseca's then-employer Hugh Wood Inc.; and

IT FURTHER APPEARING, that Cavallo's representation was false because, while Respondent Individual Fonseca did work for Hugh Wood Inc. at that time, Fonseca's company, Respondent Company Goretti, had no connection to Hugh Wood Inc.; and

IT FURTHER APPEARING, that, on November 21, 2017, Respondent Individual Fonseca presented a proposal to Client Company A where the annual premium was a greatly-inflated \$39,775.00 for property, general commercial liability, and umbrella liability coverage, pro-rated at \$23,905.65 for approximately seven months starting November 22, 2017 and expiring on June 30, 2018; and

IT FURTHER APPEARING, that in the November 21, 2017 proposal that Respondents presented to Client Company A, Respondents greatly inflated the insurance premium Client Company A needed to pay, from the \$20,927.00 annual premium authorized by Hugh Wood Inc. to the false and made-up amount of \$39,775.00; and

IT FURTHER APPEARING, that Client Company A elected to go forward with the \$39,775.00 premium, pro-rated at \$23,905.65 for approximately seven months, but did not know it was inflated from the actual amounts authorized by Hugh Wood Inc. (\$20,927.00 annual premium, pro-rated at \$12,619.00 for approximately seven months); and

IT FURTHER APPEARING, that, on November 22, 2017, Cavallo, on behalf of Respondents, e-mailed Client Company A stating that Client Company A's policy was bound at the \$23,905.65 pro-rated premium quoted by Respondent Individual Fonseca; and

IT FURTHER APPEARING, that the November 22, 2017 e-mail from Cavallo to Client Company A was false because in fact the policy had not been bound at that time; and

IT FURTHER APPEARING, that, on November 22, 2017, Cavallo, acting at Respondents' direction, e-mailed "K.M.," the Associate Account Manager at Respondent Individual Fonseca's then-employer Hugh Wood Inc. and asked her to bind Client Company A's policy for the actual pro-rated \$12,619.00 premium for the approximately seven months; and

IT FURTHER APPEARING, that, on November 22, 2017, K.M. bound Client Company A's insurance policy at the actual \$12,619.00 seven-month premium; and

IT FURTHER APPEARING, that Client Company A could not pay the full pro-rated premium and needed to finance its insurance coverage; and

IT FURTHER APPEARING, on November 30, 2017, Respondent Individual Fonseca completed and Client Company A executed a commercial premium finance agreement with First Insurance Funding to provide financing for the inflated seven-month pro-rated insurance premium of \$23,905.65; and

IT FURTHER APPEARING, that the First Insurance Funding Agreement for Client Company A's insurance policy showed the inflated seven-month pro-rated insurance premium for

the building, liability, and umbrella insurance of \$23,905.65, and an initial payment by Client Company A of \$4,024.98 with a premium balance of \$19,880.67; and

IT FURTHER APPEARING, that the actual pro-rated seven-month premium for building, liability, and umbrella insurance for Client Company A was \$12,619.00 not \$23,905.65, and with an initial payment of \$4,024.98, the financed balance remaining should have been \$8,594.02 and not \$19,880.67; and

IT FURTHER APPEARING, that on November 30, 2017, Client Company A paid its initial \$4,024.98 premium amount to Respondent Company Goretti, which Client Company A did at the direction of Cavallo who was acting on behalf of Respondents; and

IT FURTHER APPEARING, that, on December 6, 2017, Respondent Individual Fonseca's then-employer Hugh Wood Inc. completed a Certificate of Liability Insurance for Client Company A stating Client Company A had insurance coverage effective November 22, 2017; and

IT FURTHER APPEARING, that on December 7, 2017, First Insurance Funding, relying on Respondents' misrepresentations, accepted the Client Company A agreement and paid the remaining pro-rated premium payment of \$19,880.67 to Respondent Company Goretti; and

IT FURTHER APPEARING, that as of December 7, 2017, Respondents held \$19,880.67 from First Insurance Funding and \$4,024.98 from Client Company A, which equaled the \$23,905.65 false and inflated premium that Respondents had made up; and

IT FURTHER APPEARING, that on December 12, 2017, Respondents paid Hugh Wood Inc. the actual pro-rated \$12,619.00 premium on behalf of Client Company A through a check issued by Respondent Company Goretti and pocketed the \$7,261.67 difference between the actual pro-rated \$12,619.00 premium and the \$23,905.65 false and inflated premium that Respondents manufactured; and

IT FURTHER APPEARING, that Respondents' December 12, 2017 check bounced; and

IT FURTHER APPEARING, that Cavallo, on behalf of Respondents, informed Respondent Individual Fonseca's putative employer Hugh Wood Inc. that the December 12, 2017 check was mistakenly issued and requested a check issued December 15, 2017 from Respondent Company Goretti be used in payment of the \$12,619.00 premium on behalf of Client Company A; and

IT FURTHER APPEARING, that Respondents held Client Company A's \$12,619.00 premium provided by First Insurance Funding for six (6) business days prior to issuing valid payment to Hugh Wood Inc.; and

IT FURTHER APPEARING, that on April 16, 2018, Client Company A was issued a notice of cancellation for failure to pay First Insurance Funding; and

IT FURTHER APPEARING, that Client Company A had to make direct payments to First Insurance Funding to prevent cancellation of its policy; and

IT FURTHER APPEARING, that because Respondent Company Goretti withheld the \$4,024.98 down payment from First Insurance Funding, Client Company A sent a check directly to First Insurance Funding in the amount of \$4,024.98 on January 12, 2018; and

IT FURTHER APPEARING, that Respondents did not remit this \$4,024.98 down payment to First Insurance Funding until May 7, 2018, having held these funds for 106 business days; and

IT FURTHER APPEARING, that Respondents engaged in series of violations of the Producer Act in order to illegally and improperly profit from Client Company A, in violation of N.J.S.A. 17:22A-40(a)(2), (4), (7), (8), (16), and (17), including but not limited to:

(a) Engaging in a fraudulent scheme to lie to and overcharge Client Company A;

- (b) Keeping significant, important facts from the actual agency binding the insurance (Hugh Wood, Inc.);
- (c) Causing Cavallo, on behalf of Respondents, to falsely represent to Client Company A that Respondents were partners with Respondent Individual Fonseca's then-employer Hugh Wood Inc.;
- (d) Presenting a proposal to Client Company A where the annual premium was a greatly-inflated and false number;
- (e) Causing Cavallo to send the November 22, 2017 e-mail on behalf of Respondents to Client Company A falsely representing the policy had been bound at that time;
- (f) Issuing the December 12, 2017 bad check as premium payment for an insurance policy; and
- (g) Paying Hugh Wood Inc. the actual pro-rated \$12,619.00 premium on behalf of Client Company A through a check issued by Respondent Company Goretti and pocketing the \$7,261.67 difference between the actual pro-rated \$12,619.00 premium and the \$23,905.65 false and inflated premium that Respondents made up; and

**COUNT TWO**  
**(Regarding Client Company A)**

IT FURTHER APPEARING, that \$11,286.65 is the difference between the real premium amount of Client Company A's pro-rated policy (\$12,619.00) and the fake amount provided by Respondents to Client Company A (\$23,905.65); and

IT FURTHER APPEARING, that there was no written fee agreement between Client Company A and Respondents accounting for the \$11,286.65 retained by Respondents; and

IT FURTHER APPEARING, that there was no written fee agreement between Client Company A and Respondents accounting for the \$11,286.65 difference in premiums; and

IT FURTHER APPEARING, that, on May 8, 2018, Respondent Individual Fonseca acknowledged to Client Company A that Respondents were overpaid, purportedly after being notified of an account discrepancy by First Insurance Funding; and

IT FURTHER APPEARING, that Respondents collected fees without production of a written fee agreement, in violation of N.J.S.A. 17:22A-40(a)(2), and (8) and N.J.A.C. 11:17B-3.1(b); and

**COUNT THREE**  
**(Regarding Client Company A)**

IT FURTHER APPEARING, that Respondents completed a premium finance agreement regarding Client Company A with false information, in violation of N.J.S.A. 17:22A-40(a)(2), (5), (8), and (16); and

**COUNT FOUR**  
**(Regarding Client Company A)**

IT FURTHER APPEARING, that Respondents failed to remit insurance premiums within five (5) business days of receipt, in violation of N.J.S.A. 17:22A-40(a)(2) and (8) and N.J.A.C. 11:17C-2.2(a), by:

- (a) Holding Client Company A's premium for six (6) business days; and
- (b) Holding Client Company A's down payment to First Insurance Funding for 106 business days, in violation of N.J.S.A. 17:22A-40(a)(2) and (8) and N.J.A.C. 11:17C-2.2(a); and

**COUNT FIVE**  
**(Regarding Client Company B)**

IT FURTHER APPEARING, that, in October 2017, Respondent Individual Fonseca, purportedly on behalf of Respondent Individual Fonseca's then-employer Hugh Wood Inc., began

communicating with a condominium association (referred to herein as “Client Company B”) about general liability and umbrella coverage insurance; and

IT FURTHER APPEARING, that, on December 13, 2017, Respondent Individual Fonseca received a proposal from Respondent Individual Fonseca’s then-employer Hugh Wood Inc. for general liability and umbrella coverage insurance for Client Company B with an annual premium of \$20,500.00, pro-rated at \$10,680.00 for approximately six months; and

IT FURTHER APPEARING, that, on or about December 13, 2017, Respondent Individual Fonseca presented a proposal to Client Company B where the annual premium was a greatly-inflated \$27,500.00 for general liability and umbrella coverage insurance, pro-rated at \$14,180.00 for approximately six months with an effective date of December 22, 2017 and expiring June 30, 2018; and

IT FURTHER APPEARING, that Client Company B elected to go forward with the \$27,500.00 premium, pro-rated at \$14,180.00 for approximately six months, but did not know it was inflated from the actual amounts authorized by Hugh Wood Inc. (\$20,500.00 annual premium, pro-rated at \$10,680.00 for approximately six months); and

IT FURTHER APPEARING, that, on or about December 21, 2017, Respondent Individual Fonseca, on behalf of Respondent Company Goretti, informed Client Company B that Client Company B’s policy was bound at the \$14,180.00 pro-rated premium; and

IT FURTHER APPEARING, that this December 21, 2017 statement from Respondent Individual Fonseca to Client Company B was false because in fact the policy had not been bound at that time; and

IT FURTHER APPEARING, that, on December 21, 2017, Respondent Individual Fonseca e-mailed “C.T.,” Vice President at his then-employer Hugh Wood Inc. and asked him to bind

Client Company B's policy for the actual pro-rated \$10,680.00 premium for the approximately six months; and

IT FURTHER APPEARING, that, on December 22, 2017, C.T. bound Client Company B at the actual \$10,680.00 six-month premium; and

IT FURTHER APPEARING, that Client Company B could not pay the full bogus and inflated \$14,180.00 pro-rated premium and needed to finance its insurance coverage; and

IT FURTHER APPEARING, that, on December 22, 2017, Client Company B issued its first premium check made payable to Respondent Company Goretti for purposes of the down payment of \$6,417.96 for the financed premium; and

IT FURTHER APPEARING, that, on or about December 28, 2017, Respondent Individual Fonseca completed and Client Company B executed a commercial premium finance agreement with First Insurance Funding to provide financing for the inflated six-month premium of \$14,180.00; and

IT FURTHER APPEARING, that the First Insurance Funding Agreement for Client Company B's policy showed a Director and Officers Liability Insurance premium as \$1,819.00 with \$45.90 in fees for a total of \$1,864.90, and a premium for the building, liability, and umbrella insurance of \$14,180.00, and an initial payment by Client Company B of \$6,417.96 with a premium balance of \$9,626.94; and

IT FURTHER APPEARING, that the actual pro-rated six month premium for Director and Officers Liability Insurance premium for Client Company B was accurate at \$1,864.90, and the actual pro-rated six-month premium for building, liability, and umbrella insurance for Client Company B was \$10,680.00 not \$14,180.00, and with an initial payment of \$6,417.96, the financed balance remaining should have been \$6,126.94 and not \$9,626.94; and

IT FURTHER APPEARING, that First Insurance Funding, relying on Respondents' misrepresentations, accepted the Company B agreement and made the premium payment of \$9,626.94 to Respondents on or about January 3, 2018; and

IT FURTHER APPEARING, that on February 13, 2018, Client Company B was issued a notice of cancellation for failure to pay First Insurance Funding; and

IT FURTHER APPEARING, that Client Company A had to make direct payments to First Insurance Funding to prevent cancellation of its policy; and

IT FURTHER APPEARING, that Respondents used the \$9,626.94 from First Insurance Funding and the down payment of 6,417.96 from Client Company B to pay Hugh Wood Inc. the actual pro-rated \$10,680.00 premium on behalf of Client Company B through a check issued by Respondent Company Goretti dated February 2, 2018 and Respondents kept the remaining \$3,500.00; and

IT FURTHER APPEARING, that Respondents did not remit to First Insurance Funding until May 14, 2018 the \$6,417.96 that Client Company B had paid as its initial premium payment, but used it, instead, to pay the premium for the Hugh Wood Inc. policy and pocketed the difference; and

IT FURTHER APPEARING, that Respondents held Client Company B's premium for twenty-one (21) business days; and

IT FURTHER APPEARING, that that Respondents engaged in series of violations of the Producer Act in order to illegally and improperly profit from Client Company B, in violation of N.J.S.A. 17:22A-40(a)(2), (4), (7), (8), (16), and (17), including but not limited to:

- (a) Engaging in a fraudulent scheme to lie to and overcharge Client Company B;

- (b) Keeping significant, important facts from the actual agency binding the insurance (Hugh Wood, Inc.);
- (c) Presenting a proposal to Client Company B where the annual premium was greatly-inflated and false;
- (d) Sending the December 21, 2017 e-mail to Client Company B falsely representing the policy had been bound at that time; and
- (e) Pocketing the \$3,500.00 difference between the actual premium amount (\$10,680.00) and the fake and bogus premium amount (\$14,180.00); and

**COUNT SIX**  
**(Regarding Client Company B)**

IT FURTHER APPEARING, that there was no written fee agreement between Client Company B and Respondents accounting for the \$3,500.00 difference in premiums; and

IT FURTHER APPEARING, that, on or about May 14, 2018, purportedly following an audit, Respondents offered to issue a refund to Client Company B for the improperly obtained difference in premium; and

IT FURTHER APPEARING, that Client Company B allowed Respondents to keep \$1,080.38 as a fee; and

IT FURTHER APPEARING, that Respondents had no written agreement to keep the \$1,080.38 fee from Company B; and

IT FURTHER APPEARING, that, on May 14, 2018, Respondent Company Goretti issued a refund to Client Company B in the amount of \$2,469.62; and

IT FURTHER APPEARING, that Respondents collected fees without production of a written fee agreement, in violation of N.J.S.A. 17:22A-40(a)(2), and (8) and N.J.A.C. 11:17B-3.1(b); and

**COUNT SEVEN**  
**(Regarding Client Company B)**

IT FURTHER APPEARING, that Respondents completed a premium finance agreement regarding Client Company B with false information, in violation of N.J.S.A. 17:22A-40(a)(2), (5), (8), and (16); and

**COUNT EIGHT**  
**(Regarding Client Company B)**

IT FURTHER APPEARING, that Respondents, by holding Client Company B's premium for twenty-one (21) business days, failed to remit insurance premiums within five (5) business days of receipt, in violation of N.J.S.A. 17:22A-40(a)(2) and (8) and N.J.A.C. 11:17C-2.2(a); and

**COUNT NINE**

IT FURTHER APPEARING, that Respondent Company Goretti conducted insurance business in New Jersey prior to being licensed as a business entity producer on December 1, 2017, in violation of N.J.S.A. 17:22A-29, N.J.S.A. 17:22A-40(a)(2) and N.J.A.C. 11:17A-1.3(a); and

**COUNT TEN**

IT FURTHER APPEARING, that Respondent Individual Fonseca, as Respondent Company Goretti's DRLP, owner and/or manager, is responsible for the violations alleged of Respondent Company Goretti pursuant to N.J.S.A. 17:22A-32(b)(2), N.J.A.C. 11:1-12.2(a), and N.J.A.C. 11:17A-1.6(c) and N.J.S.A. 17:22A-40(a)(17); and

NOW, THEREFORE, IT IS on this 17<sup>th</sup> day of April, 2026

ORDERED, that Respondents appear and show cause why their New Jersey insurance producer licenses should not be revoked pursuant to N.J.S.A. 17:22A-40(a); and

IT IS FURTHER ORDERED, that Respondents 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 and order Respondents 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 Respondents appear and show cause why they should not be required to reimburse the Department for the cost of the investigation and prosecution, including attorneys' fees, as authorized pursuant to N.J.S.A. 17:22A-45(c) and N.J.A.C. 11:16-7.9(c); and

IT IS PROVIDED, that Respondents have the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their 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 Respondents, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Thomas Stanley, Managing 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 Deputy Attorney General William E. Vaughan at: Division of Law, P.O. Box 117 Trenton, NJ 08625. 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 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.

A handwritten signature in black ink, appearing to read 'S. Ochs', written over a horizontal line.

Susan Ochs  
Acting Commissioner