

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 license of)
Denise K. Montanile, Reference No. 3000534352.)

ORDER TO SHOW CAUSE

To: Denise K. Montanile
18 Grant Avenue
Clifton, New Jersey 07011

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Denise K. Montanile (“Respondent”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent is licensed as an active resident insurance producer in the State of New Jersey with an effective date of April 25, 2019, pursuant to N.J.S.A. 17:22A-32(a); 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”), 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, 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 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 of 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 the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(1), an insurance producer shall not provide incorrect, misleading, incomplete or materially untrue information in the license application; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(2), an insurance producer shall violate any insurance laws, or violate any 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)(3), an insurance producer shall not obtain or attempt to obtain a license through misrepresentation 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)(15), an insurance producer shall not intentionally withhold material information or make a material misstatement in an application for a license; 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 other, 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.A.C. 11:17A-4.8, an insurance producer shall reply, in writing, to any inquiry of the New Jersey Department of Banking and Insurance (“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. 17:22A-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.

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that on or about April 11, 2019, Respondent applied for a New Jersey insurance producer license; and

IT FURTHER APPEARING, that on October 10, 2019, Department Investigator Matthew Gervasio received an email from Laura Sankey, Senior Insurance Examiner for the New York Department of Financial Services, indicating that Respondent had previously held an insurance producer license which had been revoked in the State of New Jersey; and

IT FURTHER APPEARING, that in response to Question Number Two of the New Jersey application which asks “Have you ever been named or involved as a party in an administrative

proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?” Respondent answered “No”; and

IT FURTHER APPEARING, that Respondent, the Department had issued an Order to Show Cause to Respondent under her premarital name “Denise K. Rachko,” on August 18, 1987 alleging misappropriation of insurance policy dividends and loan checks; and

IT FURTHER APPEARING, that a Final Order was issued for Respondent on September 29, 1987 stating that Respondent was notified of the allegations and failed to contest the Order to Show Cause, and that Respondent’s insurance producer license was thereby revoked; and

IT FURTHER APPEARING, that, during an interview on October 17 , 2019, with Department Investigator, Kerry O’Sullivan, Respondent made an admission to being previously licensed approximately 30 years prior, though Respondent lied by saying that her license lapsed; and

IT FURTHER APPEARING, that on January 10, 2020, Department Investigator, Eugene Shannon, emailed Respondent a letter requesting information as to her identity; and

IT FURTHER APPEARING, that Respondent responded to Investigator Shannon’s email stating “Any Inquiries will have to be requested by mail?”; and

IT FURTHER APPEARING, that Investigator Shannon mailed the January 10, 2020, letter to Respondent via USPS regular and certified mail and requesting a response by January 22, 2020; and

IT FURTHER APPEARING, that Respondent did not respond to the January 10, 2020 letter; and

IT FURTHER APPEARING, that on February 3, 2020, Investigator Shannon telephoned Respondent and left messages for Respondent requesting that she contact him; and

IT FURTHER APPEARING, that on February 3, 2020, Respondent sent an email to Investigator Shannon that stated “I cannot remember any details from 33 years ago. Presently in Good Standing in the State of NJ.”; and

IT FURTHER APPEARING, that on February 4, 2020, Respondent failed to confirm her premarital name in response to the Department’s request; and

IT FURTHER APPEARING, that on February 10, 2020, Respondent submitted a response to the January 18 mail inquiry with insufficient, incoherent and obscure answers. To the question “Are you the same person as Denise Rachko,” Respondent answered “uncertain.” To the question have you been known by any other name, Respondent answered “Denise arachnophobia.”; and

IT FURTHER APPEARING, that a Department subpoena was issued on March 4, 2020 for Respondent to appear at the Department with proofs of identity on March 17, 2020 and that the Respondent failed to appear in response to the subpoena; and

IT FURTHER APPEARING, that Respondent fraudulently obtained an insurance producer license through misrepresentation and fraud; and

COUNT ONE

IT FURTHER APPEARING, that specifically, Respondent failed to disclose in her producer license application that her producer insurance license had been previously revoked and that she had been involved as a party in a prior administrative proceeding, in violation of N.J.S.A. 17:22A-40(a) (1), (2), (3), (8) and (15); and

COUNT TWO

IT FURTHER APPEARING, that Respondent failed to respond and/or adequately respond to requests of a Department Investigator, in violation of 17:22A-40(a) (2) and (8) and N.J.A.C. 11:17A-4.8; and

COUNT THREE

IT FURTHER APPEARING, that Respondent failed to appear on March 17, 2020, in violation of N.J.S.A. 17:22A-40(a) (2) and (8), N.J.S.A. 17:22A-45(a).

NOW, THEREFORE, IT IS on this 10th day of July, 2026

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

IT IS FURTHER ORDERED, that Respondent 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 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 she 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 Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at her 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 Respondent, 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 Jessica Lugo 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.



Susan Ochs, Acting Commissioner