ORDER NO. E26- 82

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 suspend, revoke, and/or refuse to renew the insurance license of Julio Ivan Carballo. Ref. 1665820	)	**ORDER TO SHOW CAUSE**

To: Julio Ivan Carballo
238 Lexington Ave
Dumont, New Jersey 07628-1734

THIS MATTER, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Julio Ivan Carballo ("Carballo" or "Respondent") may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Carballo was formerly licensed as a resident insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-32(a), until July 31, 2022, when his license expired; and

WHEREAS, Carballo 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 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 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), 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-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)(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)(9), an insurance producer shall not have an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(18), an insurance producer shall not fail to notify the commissioner within 30 days of his conviction of any crime, indictment, or the filing of any formal criminal charges, or the suspension or revocation of any insurance license or authority by a state, other than this State, or the initiation of formal disciplinary proceedings in a state, other than this State, affecting the producer's insurance license, or fail to obtain the written consent pursuant to sections 1033 and 1034 of Title 18, United States Code (18 U.S.C. 1033 and 1034), or fail to supply any documentation that the commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(a), an insurance producer shall report to the commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this State within 30 days of the final disposition of the matter. This report shall include a copy of the order, consent order or other relevant legal documents.

WHEREAS, pursuant to N.J.S.A. 17:22A-47(b), within thirty days of the initial pretrial hearing date, an insurance producer shall report to the Commissioner any criminal prosecution of the producer taken in any jurisdiction, which report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents; 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; moreover, 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 on August 24, 2018, an indictment was issued by the Supreme Court of the State of New York, Bronx County against Carballo for 51 counts of Grand Larceny, Insurance Fraud and other charges ("Indictment") charging Carballo with stealing more than $28,753 in premiums from Bronx small business owners that was intended to pay for insurance coverage that was never procured; and

IT FURTHER APPEARING, that Carballo failed to report the Indictment to the New

Jersey Department of Banking and Insurance ("Department"); and

IT FUTHER APPEARING, that on September 20, 2018, the State of Connecticut Insurance Department issued a complaint against Carballo for failing to comply with their correspondence concerning the alleged forging of certificates of insurance and misrepresentation of the existence of insurance coverage to a Connecticut construction company; and

IT FURTHER APPEARING, that on December 6, 2018, after Carballo failed to file an answer or appear, a Connecticut administrative Order for Default Judgment and Administrative Penalties was issued suspending Carballo's insurance producer license; and

IT FURTHER APPEARING, that Carballo failed to report the complaint, and the subsequent Order for Default Judgment and suspension of his Connecticut license to the Department; and

IT FURTHER APPEARING, that on October 14, 2020, Carballo was convicted for Petit Larceny P.L. 155.25, by the Supreme Court of New York, Bronx County ("Conviction"), and was sentenced to a conditional discharge; and

IT FURTHER APPEARING, that Carballo failed to report the Conviction to the Department; and

COUNT 1

IT FURTHER APPEARING, that Carballo, while licensed as a New Jersey resident insurance producer, failed to report this Indictment to the Department in violation of N.J.S.A. 17:22A-40(a)(2), (8), (18) and N.J.S.A. 17:22A-47(b); and

COUNT 2

IT FURTHER APPEARING, that Carballo, while licensed as a New Jersey resident insurance producer, failed to report the Order for Default Judgment and suspension of his

Connecticut license to the Department, in violation of N.J.S.A. 17:22A-40(a)(2), (8), (9), (18) and N.J.S.A. 17:22A-47(a); and

COUNT 3

IT FUTHER APPEARING, that Carballo, while licensed as a New Jersey resident insurance producer, failed to report the Conviction to the Department, in violation of N.J.S.A. 17:22A-40(a)(2), (8), (18) and N.J.S.A. 17:22A-47(b); and

NOW, THEREFORE, IT IS on this 10th day of July, 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(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 up to $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 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 of Banking and Insurance for the cost of the investigation and prosecution as authorized pursuant to N.J.S.A. 17:22A-45(c); and

IT IS FURTHER PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at his 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, Banking and Insurance Section, 25 Market Street, P.O. Box 117, Trenton, New Jersey 08625-0117. 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