

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceeding by the Commissioner of Banking) CONSENT
and Insurance, State of New Jersey, to fine) ORDER
Leonard Orloff, Reference No: 9469337)

To: Leonard Orloff
1488 Autumn Road
Rydal, PA 19046

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Leonard Orloff (“Respondent”), currently licensed as a nonresident public adjuster pursuant to N.J.S.A. 17:22B-5, may have violated the public adjuster laws of the State of New Jersey; and

WHEREAS, Respondent is subject to the provisions of the Public Adjusters’ Licensing Act of 1994, N.J.S.A. 17:22B-1 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22B-14a (1) and N.J.A.C. 11:1-37.14(a) 1 and 17, the Commissioner may suspend or revoke the license of a public adjuster or impose a fine if the licensee has violated any insurance law of this State; or has committed any other act or omission which the Commissioner determines to be inappropriate conduct by a licensee of this State; and

WHEREAS, pursuant to N.J.S.A. 17:22B-14a (4) and N.J.A.C. 11:1-37.14(a) 4, a public adjuster shall not demonstrate incompetency, lack of integrity, bad faith, dishonesty, financial irresponsibility or untrustworthiness to act as an adjuster; and

WHEREAS, pursuant to N.J.S.A. 17:22B-13c, N.J.A.C. 11:1-37.13(a), and N.J.A.C. 11:1-37.13(b)3 ii and iii, no individual, firm, association or corporation, shall have any right to compensation from any insured for services rendered to an insured as a public adjuster unless the right to compensation is based upon a written memorandum, that specifies or clearly defines the services to be rendered and contains the time of execution of the contract; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.13(b)5, the written memorandum between a licensed public adjuster and an insured shall prominently include a section which specifies the procedures to be followed by the insured if he or she seeks to cancel the contract, including any requirement for a written notice; the rights and obligations of the parties if the contract is cancelled at any time; and the costs to the insured or the formula for the calculation of costs to the insured for services rendered in whole or in part; and

WHEREAS, pursuant to N.J.S.A. 17:22B-13f and N.J.A.C. 11:1-37.11(a), any public adjuster who receives, accepts or holds any moneys, on behalf of an insured, towards the settlement of a claim for loss or damage, shall deposit such moneys in an interest bearing escrow or trust account; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.12(b), each licensee shall maintain a register of all monies received, deposited, disbursed or withdrawn in connection with a transaction with an insured; and

IT APPEARING, that in December 2012, Respondent entered into a public adjuster service contract with New Jersey insured SM which was based upon a written memorandum that did not clearly define the services to be rendered or contain a list of services to be rendered, the time the contract was executed, or a section which prominently included the procedures to be followed by the insured if he or she sought to cancel the contract, including any requirement for a written notice; the rights and obligations of the parties if the contract was cancelled at any time; and the costs to the insured or the formula for the calculation of costs to the insured for services rendered in whole or in part, in violation of N.J.S.A. 17:22B-14a (1) and (4), N.J.A.C. 11:1-37.13(a), (b)3 ii and iii, and (b)5 and N.J.A.C. 11:1-37.14(a) 1 and 17; and

IT FURTHER APPEARING, that between September and November of 2013, Respondent accepted or held money, on behalf of SM and did not deposit such moneys in an interest bearing escrow or trust account or maintain a register of all monies received, deposited or disbursed, in violation of N.J.S.A. 17:22B-13f, N.J.A.C. 11:1-37.11(a), N.J.A.C. 11:1-37.12(b), N.J.S.A. 17:22B-14a (1) and (4), and N.J.A.C. 11:1-37.14(a) 1, 4, and 17; and

IT FURTHER APPEARING, that Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the Department of Banking and Insurance's ("Department") investigation; and

IT FURTHER APPEARING, that cause does exist under N.J.S.A. 17:22B-17 to impose a fine; and

IT FURTHER APPEARING, that Respondent has waived his right to a hearing on the aforementioned violations and has consented to the payment of a fine in the amount of \$1,500.00; and

IT FURTHER APPEARING, that this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

NOW, THEREFORE, it is on this 5th day of August 2014

ORDERED AND AGREED, that Respondent pay a fine in the amount of \$1,500.00 to the Department; and

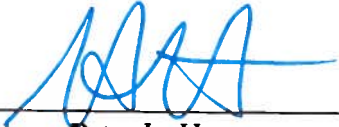
IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the fine payment of \$1,500.00 shall be remitted to:

New Jersey Department of Banking and Insurance
ATTN: Virgil Downtin, Chief of Investigations
9th Floor – Enforcement Unit
P.O. Box 329
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the fine and refunds 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 summary proceedings, in accordance with the penalty enforcement law, N.J.S.A. 2A:58-10 et seq.; and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall cease and desist from engaging in the conduct that gave rise to this Consent Order and hereafter shall comply in all respects with the New Jersey insurance laws and regulations.


Peter L. Hart
Acting Director of Insurance

Consented to as to
Form, Content and Entry


Leonard Orloff

Date: 9/1/2014