

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)	FINAL
public adjuster licenses of)	ORDER
Citizens Public Adjusters Inc.,)	
Reference No. 1128330, and)	
Jerome Joseph Sacco, Sr.,)	
Reference No. 1126450.)	

TO:

Citizens Public Adjusters Inc.	Jerome Joseph Sacco, Sr.
C/O Jerome Joseph Sacco, Sr.	3237 Bristol Road
3237 Bristol Road	Suite 204
Suite 204	Bensalem, PA 19020
Bensalem, PA 19020	

This matter, having been opened to the Acting Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Citizens Public Adjusters Inc. ("Citizens") and Jerome Joseph Sacco, Sr. ("Sacco" and collectively with Citizens "Respondents"), sole sublicensee of Citizens, formerly licensed as public adjusters, pursuant to N.J.S.A. 17:22B-5, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondents are subject to the New Jersey Public Adjusters' Licensing Act, N.J.S.A. 17:22B-1, et seq. ("Public Adjusters' Act") and the regulations governing the licensing of public adjusters, N.J.A.C. 11:1-37.1, et seq.; and

WHEREAS, the Commissioner shall retain the authority to enforce the provisions of, and impose any penalty or remedy authorized by 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, pursuant to N.J.S.A. 17:22A-40d; and

WHEREAS, on May 5, 2015 the Commissioner issued Order to Show Cause No. E15-46, alleging that Respondents violated various provisions of the New Jersey insurance laws, as set forth in the following Counts 1 through 6:

COUNT 1

IT APPEARING that, at all relevant times P.M.'s residence was insured by Franklin Mutual Insurance Co. ("Franklin Insurance"); and

IT FURTHER APPEARING that, on or about January 16, 2014, P.M.'s residence was damaged as a result of accidental discharge; and

IT FURTHER APPEARING that, on or about January 17, 2014, P.M. retained Respondents to adjust the insurance claim arising out of the January 16th accidental discharge; and

IT FURTHER APPEARING that, on or about September 24, 2014, Franklin Insurance issued two checks in connection with P.M.'s insurance claim: check no. 486291, in the amount of \$42,047.43 ("Check 291") and check no. 486292, in the amount of \$13,502 ("Check 292"); and

IT FURTHER APPEARING that, pursuant to the contract between P.M. and Respondents, Respondents were

entitled to twenty percent of the total insurance settlement, amounting to \$11,109.89; and

IT FURTHER APPEARING that Check 291, in the amount of \$42,047.43, was sent to P.M.'s mortgage company; and

IT FURTHER APPEARING that Check 292, in the amount of \$13,502 was sent directly to Respondents; and

IT FURTHER APPEARING that Respondents endorsed Check 292 on behalf of P.M.; and

IT FURTHER APPEARING that, on or about October 10, 2014, Respondents deposited the entire \$13,502 into Citizens' escrow account; and

IT FURTHER APPEARING that Respondents did not remit any of the insurance funds to P.M. within five business days; and

IT FURTHER APPEARING that, in retaining the entire balance of Check 292, when they were only entitled to \$11,109.89, Respondents misappropriated, converted, or illegally withheld money which was received in the conduct of business that belonged to insurers, clients, or others, in violation of N.J.S.A. 17:22B-14a(1) and (4), N.J.A.C. 11:1-37.14(a)1, 2, 4, and 9, and N.J.A.C. 11:17C-2.2(b); and

COUNT 2

IT FURTHER APPEARING that, at all relevant times J.L.'s residence was insured by Travelers Insurance ("Travelers"); and

IT FURTHER APPEARING that, as a result of damage to his residence, J.L. retained Respondents to adjust his insurance claim; and

IT FURTHER APPEARING that, in connection with J.L.'s insurance claim, on or about September 19, 2014, Travelers issued check no. 29449383, in the amount of \$17,786.34 ("Travelers Check"); and

IT FURTHER APPEARING that Travelers sent the Travelers Check directly to Respondents; and

IT FURTHER APPEARING that, on or about September 24, 2014, Respondents deposited the Travelers Check into Citizens' escrow account; and

IT FURTHER APPEARING that Respondents did not remit any of the insurance funds to J.L. within five business days; and

IT FURTHER APPEARING that, in retaining the entire balance of the Travelers Check, Respondents misappropriated, converted, or illegally withheld money which was received in the conduct of business that belonged to insurers, clients, or others, in violation of N.J.S.A. 17:22B-14a(1) and (4), N.J.A.C. 11:1-37.14(a)1, 2, 4, and 9, and N.J.A.C. 11:17C-2.2(b); and

COUNT 3

IT FURTHER APPEARING that, at all relevant times J.P.'s residence was insured by State Farm Insurance ("State Farm"); and

IT FURTHER APPEARING that, as a result of damages to his residence occurring on or about April 30, 2014, J.P. retained Respondents to adjust his insurance claim; and

IT FURTHER APPEARING that, in connection with J.P.'s insurance claim, on or about August 19, 2014, State Farm issued check no. 117102509J, in the amount of \$2,188.61 ("State Farm Check"); and

IT FURTHER APPEARING that the State Farm Check was mailed directly to J.P.; and

IT FURTHER APPEARING that Respondents instructed J.P. to endorse the check and mail it to Respondents; and

IT FURTHER APPEARING that J.P. followed Respondents' instructions; and

IT FURTHER APPEARING that, on or about September 8, 2014, Respondents deposited the State Farm Check into Citizen's escrow account; and

IT FURTHER APPEARING that, on or about September 30, 2014, Respondents issued J.P. check no. 15214, in the amount of \$1,466.37 ("Check 214"); and

IT FURTHER APPEARING that, when J.P. attempted to deposit Check 214, he was informed that the check could not be paid due to insufficient funds in Citizens' escrow account; and

IT FURTHER APPEARING that, by providing J.P. with Check 214, despite having insufficient funds in Citizens' escrow account to honor the check, Respondents demonstrated their lack of integrity, incompetency, bad faith, dishonesty, financial irresponsibility, or untrustworthiness to act as a public adjuster, in violation of N.J.S.A. 17:22B-14a(1) and (4) and N.J.A.C. 11:1-37.14(a)1, 2, and 4; and

COUNT 4

IT FURTHER APPEARING that Respondents did not remit any of the insurance funds to J.P. within five business days; and

IT FURTHER APPEARING that, in retaining the entire balance of Check 214, Respondents misappropriated, converted, or illegally withheld money which was received in the conduct of business that belonged to insurers, clients, or others, in violation of N.J.S.A. 17:22B-14a(1) and (4), N.J.A.C. 11:1-37.14(a)1, 2, 4, and 9, and N.J.A.C. 11:17C-2.2(b); and

COUNT 5

IT FURTHER APPEARING that, in connection with J.P.'s insurance claim, on or about September 30, 2014, State Farm issued check no. 117178773J, in the amount of \$4,214.53 ("Check 773") and sent it directly to Respondents; and

IT FURTHER APPEARING that J.P. never received or signed Check 773; and

IT FURTHER APPEARING that Respondents endorsed Check 773 on behalf of J.P.; and

IT FURTHER APPEARING that, on or about September 29, 2014, Respondents deposited Check 773 into Citizens' escrow account; and

IT FURTHER APPEARING that Respondents did not remit any of the insurance funds to J.P. within five business days; and

IT FURTHER APPEARING that, in retaining the entire balance of Check 733, Respondents misappropriated, converted, or illegally withheld money which was received in the conduct of business that belonged to insurers, clients, or others, in violation of N.J.S.A. 17:22B-14a(1) and (4), N.J.A.C. 11:1-37.14(a)1, 2, 4, and 9, and N.J.A.C. 11:17C-2.2(b); and

COUNT 6

IT FURTHER APPEARING that, on or about December 5, 2014, the Insurance Department of the Commonwealth of Pennsylvania issued Order No. C14-11-012 ("Order") requiring, amongst other things, that Respondents immediately surrender their public adjuster licenses; and

IT FURTHER APPEARING that, pursuant to the Consent Order, Respondents admitted that they "failed to verify claim payments were made in a timely manner"; and

IT FURTHER APPEARING that, pursuant to the Consent Order, Respondents agreed to pay and did in fact pay restitution to all consumers to whom they had failed to make claim payments, including the New Jersey consumers listed in this Order to Show Cause; and

IT FURTHER APPEARING that Sacco signed the Order individually and on behalf of Citizens; and

IT FURTHER APPEARING that Respondents did not notify the Department of the issuance of this Order within thirty days, thereby violating N.J.S.A. 17:22B-14a(1) and N.J.A.C. 11:1-37.14(a)1, 2, and 10; and

IT FURTHER APPEARING that Respondents' Pennsylvania public adjuster licenses were surrendered, in violation of N.J.S.A. 17:22B-14a(1) and N.J.A.C. 11:1-37.14(a)14 and 17; and

WHEREAS, Respondents were given notice of the above-referenced charges and an opportunity to contest the charges at a hearing; and

WHEREAS, Order to Show Cause No. E15-46 was duly served upon Respondents by certified and regular mail at the addresses listed in the Final Order (which are Respondents' last known mailing addresses on file with the Commissioner) in accordance with N.J.A.C. 11:17D-2.1(a)3; and

WHEREAS, pursuant to the certification of Deputy Attorney General Gordon A. Queenan, attached hereto as "Exhibit 1," the certified mail sent to Respondent Sacco was delivered on May 11, 2015; and

WHEREAS, pursuant to the certification of DAG Queenan, the certified mail sent to Respondent Citizens was delivered on May 18, 2015; and

WHEREAS, pursuant to the certification of DAG Queenan, the regular mail sent to Respondents was not returned, thereby creating the presumption that Respondents received a copy of Order to Show Cause No. E15-46; and

WHEREAS, service of Order to Show Cause No. E15-46 in this manner constitutes lawful service upon Respondents, pursuant to N.J.A.C. 11:17D-2.1(a)3; and

WHEREAS, pursuant to the certification of DAG Queenan, on May 22, 2015, Respondents' counsel requested an extension of time to respond to Order to Show Cause No. E15-46 until June 19, 2015; and

WHEREAS, pursuant to the certification of DAG Queenan, on May 22, 2015, DAG Queenan e-mailed Respondents' counsel confirming that the time to respond to Order to Show Cause No. E15-46 had been extended until June 19, 2015; and

WHEREAS, pursuant to the certification of DAG Queenan, on June 25, 2015, DAG Queenan e-mailed Respondents' counsel extending the time to respond to Order to Show Cause No. E15-46 until July 20, 2015; and

WHEREAS, pursuant to the certification of DAG Queenan, on July 14, 2015, DAG Queenan e-mailed Respondents' counsel, stating that if Respondents' Answer was not received by August 3, 2015, a Final Order would be issued; and

WHEREAS, Respondents have failed to provide a written response to the charges contained in Order to Show Cause No. E15-46; and

WHEREAS, pursuant to N.J.A.C. 11:17D-2.1(b), Respondents have waived their right to a hearing to contest the charges; and

WHEREAS, Respondents' counsel provided the Department with copies of checks demonstrating that restitution had been paid

to each of the victims listed in Counts 1 through 5 of Order to Show Cause No. 15-46; and

WHEREAS, pursuant to the Certification of Costs by Investigator Natalie Mintchwarner, attached hereto as "Exhibit 2", the Department incurred \$812.50 in investigative costs in connection with this matter; and

NOW, THEREFORE, IT IS on this 2nd day of SEPTEMBER, 2015

ORDERED that the charges contained in Order to Show Cause No. E15-46 are deemed admitted as to Respondents, pursuant to N.J.A.C. 11:17D-2.1(b); and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22B-14a, the public adjuster licenses issued to Respondents Citizens Public Adjusters and Jerome Joseph Sacco, Sr. are hereby **REVOKED** effective upon the execution of this Final Order by the Commissioner; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22B-17, Respondents Citizens Public Adjusters and Jerome Joseph Sacco, Sr. shall pay individual civil administrative fines of \$15,000.00 **each** for six violations of the Public Adjusters' Act (\$2,500.00 for each violation) to the New Jersey Department of Banking and Insurance. These fines total \$30,000.00 for the violations described in Counts 1 through 6 of Order to Show Cause No. E15-46; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22B-17, Respondents Citizens Public Adjusters and Jerome Joseph Sacco, Sr. shall pay the Department's investigative costs of \$812.50; and

IT IS FURTHER ORDERED that the civil administrative fine and investigative costs totaling \$30,812.50 shall be remitted to the New Jersey Department of Banking and Insurance, 20 West State Street, P.O. Box 325, Trenton, New Jersey 08625, Attention: Jan Allen, Supervisor of Investigations, by certified check, cashier's check, or money order made payable to the State of New Jersey, General Treasury, within 10 days of the date of service of this Final Order; and

IT IS FURTHER ORDERED that, in the event full payment of fines 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, N.J.S.A. 2A:58-10 et seq.; and

IT IS FURTHER ORDERED that the fines 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 Order to Show Cause No.
E15-46.



PETER L. HARTT
Director of Insurance

John J. Hoffman
Acting Attorney General of New Jersey
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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,)	CERTIFICATION OF DEPUTY
and/or revoke the public adjuster)	ATTORNEY GENERAL GORDON A.
licenses of Citizens Public)	QUEENAN
Adjusters Inc., Reference No.)	
1128330, and Jerome Joseph Sacco,)	
Sr., Reference No. 1126450.)	

I, Gordon A. Queenan, of full age, do, of my own personal knowledge, make the following statement by way of certification in lieu of affidavit, pursuant to R. 1:4-4(b):

1. I am a Deputy Attorney General assigned as counsel for the Acting Commissioner of the New Jersey Department of Banking and Insurance ("Commissioner") in the above matter. I submit this certification in support of the Commissioner's request that a Final Order be entered against Respondents Citizens Public Adjusters and Jerome Joseph Sacco, Sr. and, specifically, to establish that

proper service of Order to Show Cause No. E15-46 was made upon Respondents.

2. The Commissioner issued Order to Show Cause No. E15-46 on May 5, 2015.

3. By letter dated May 6, 2015, my office served a copy of Order to Show Cause No. E15-46 upon Respondents via regular and certified mail, return receipt requested, at the following, last known mailing addresses on file with the Commissioner:

Citizens Public Adjusters Inc.
C/O Jerome Joseph Sacco, Sr.
3237 Bristol Road
Suite 204
Bensalem, PA 19020

Jerome Joseph Sacco, Sr.
3237 Bristol Road
Suite 204
Bensalem, PA 19020

4. The certified mail sent to Respondent Sacco was delivered on May 11, 2015.

5. The certified mail sent to Respondent Citizens was delivered on May 18, 2015.

6. The regular mail sent to Respondents was not returned.

7. Pursuant to N.J.A.C. 11:17D-2.1(a)3, service of Order to Show Cause E15-46 in this manner constitutes lawful service upon Respondents.

8. On May 22, 2015, Respondents' counsel requested an extension of time to respond to Order to Show Cause No. E15-46 until June 19, 2015.

9. On May 22, 2015, I e-mailed Respondents' counsel confirming the time to respond to Order to Show Cause No. E15-46 had been extended until June 19, 2015.

10. On June 25, 2015, I e-mailed Respondents' counsel extending the time to respond to Order to Show Cause No. E15-46 until July 20, 2015.

11. On July 14, 2015, I e-mailed Respondents' counsel, stating that if Respondents' Answer was not received by August 3, 2015, a Final Order would be issued.

12. To date, Respondents have not provided a written response to the charges contained in Order to Show Cause No. E15-46.

13. Petitioner reserves the right to further supplement this certification.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



Gordon A. Queenan
Deputy Attorney General

Dated: August 19, 2015

Proceeding by the Commissioner of)
Banking and Insurance, State of New) CERTIFICATION OF COSTS
Jersey, to fine, suspend and/or) BY INVESTIGATOR
revoke the public adjuster's license) NATALIE M. MINTCHWARNER
of Citizens Public Adjusters Inc.,)
Reference No.1128330, and Jerome)
Joseph Sacco, Sr., Reference No.)
1126450)

I, Natalie M. Mintchwarner, of full age, do of my own personal knowledge make the following statements by way of certification in lieu of affidavit pursuant to R. 1:4-4(b):

1. I am an investigator with the New Jersey Department of Banking and Insurance, Division of Enforcement and Consumer Protection ("Department").

2. This certification is submitted in support of the Department's application for reimbursement of its costs of investigation and prosecution, in accordance with N.J.S.A. 17:22B-17.

3. On November 13, 2014, I was assigned responsibility for conducting an investigation to determine whether Citizens Public Adjusters Inc., and Jerome Joseph Sacco, Sr., licensed as resident public adjusters may have violated certain provisions of the New Jersey Public Adjusters' Licensing Act, N.J.S.A. 17:22B-1, et seq., and the regulations governing the licensing of public adjusters, N.J.A.C. 11:1-37.1, et seq.

4. To determine the amount of time that I spent in the investigation and prosecution of this matter, I reviewed my files relative to this matter, including my time records. On the basis of this review, I have prepared the below schedule of costs:

DATE	TIME IN HRS.	PHONE	CASE PREP.	COMMENTS
11-13-2014	1.0		X	Reviewed File
11-13-2014	1.0		X	Prepared and mailed subpoena 14-17
11-13-2014	.25		X	Updated SBS
11-25-2014	.25	X		Wells Fargo
11-25-2014	.25		X	Updated SBS
12-15-2014	.25		X	Updated SBS
12-18-2014	2.0		X	Reviewed subpoenaed bank records from Wells Fargo.
12-18-2014	.25		X	Reviewed email sent from Chief Downtin and prepared response to same.
01-13-2015	.25		X	Updated SBS
01-14-2015	.25		X	Completed BFD inquiry and submitted - reviewed response
01-15-2015	7.0		X	Completed F&E and submitted to Supervisor Verdell for review
01-22-2015	.25		X	Prepared file to be forwarded to DAG
01-30-2015	.25		X	Reviewed email from DAG Snow
05.06.2015	.25		X	Updated SBS
08-26-2015	.25		X	Reviewed email from DAG Queenan
08-26-2015	2.00		X	Completed Certification and Cost of the Investigation
08-26-2015	.25		X	Updated SBS
08-26-2015	.25		X	Sent Certification to DAG Queenan
TOTAL TIME	16.25	@ \$50.00 per hour		=\$812.50
				TOTAL COSTS OF INVESTIGATION= 812.50

5. As this schedule reflects, the investigative efforts expended by the Department of Insurance concerning this matter total 16 hours and .25 minutes. Pursuant to N.J.A.C. 11:17D-2.1, costs to the Department for the investigation and

prosecution for violations of the New Jersey Public Adjusters' Licensing Act, N.J.S.A. 17:22B-1, shall be reimbursable at the rate of \$50.00 per hour, rounded to the nearest quarter hour.

6. I therefore request that the Department's costs of investigation and prosecution be reimbursed in the amount of \$812.50.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.



Natalie M. Mintchwarner

Dated: August 26, 2015