

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) CONSENT
Karl V. Brown, Reference No. 1006151) ORDER

To: Karl V. Brown
37 Pulaski Avenue
Carteret, NJ 07008

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Karl V. Brown, currently licensed as a resident producer, pursuant to N.J.S.A. 17:22A-32, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Karl V. Brown (“Respondent”) is subject to the provisions of New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (2) an insurance producer shall not 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-40a (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-40a (8) an insurance producer shall not use ~~fraudulent, coercive, or dishonest practices, or demonstrate incompetence, lack of~~ trustworthiness or financial irresponsibility in the conduct of insurance business in this State; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.10 an insurance producer shall act in a fiduciary capacity in the conduct of his or her insurance business; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.6(c) licensed partners, officers and directors, and all owners with an ownership 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.A.C. 11:17C-2.6 an insurance producer shall maintain all required books and records of account, including bank records, for a period of five years after termination of coverage; and

WHEREAS, pursuant to N.J.A.C. 11:17-2.7(f)2 all licensees shall provide in the format prescribed by the Department notification of any change of business mailing or location address, residence address, phone numbers and email addresses within 30 days of the change; and

WHEREAS, on December 22, 2010 the Respondent received \$2,500.00 from indemnitor ER as collateral for securing a bail bond for defendant GA. Upon dismissal of the charges on October 6, 2011, the Respondent failed to return the collateral until February 27, 2015, in violation of N.J.S.A. 17:22A-40a (2), (4) and (8) and N.J.A.C. 11:17A-4.10; and

WHEREAS, the Respondent was responsible for supervising employee AW who misappropriated \$2000.00 in collateral received on July 17, 2012 from indemnitor MF towards securing a bail bond for defendant DF; and

WHEREAS, relative to the aforementioned collateral for defendant DF and upon dismissal of the criminal charges on May 6, 2013, the Respondent failed to return said collateral to the indemnitor until February 11, 2015, all in violation of N.J.S.A. 17:22A-40a (2), (4) and (8), N.J.A.C. 11:17A-1.6(c), and N.J.A.C. 11:17A-4.10; and

WHEREAS, Respondent failed to maintain complete records of the bail bonds placed for defendants DF and GA, in violation of N.J.S.A. 17:22A-40a (2) and (8) and N.J.A.C. 11:17C-2.6; and

WHEREAS, Respondent failed to inform the Commissioner of changes of Respondent's residential and business addresses within the required 30 days of the change, in violation of N.J.S.A. 17:22A-40a (2) and (8) and N.J.A.C. 11:17-2.7(f)2; and

WHEREAS, Respondent:

- 1) Has admitted responsibility for the violations; and
- 2) Has cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance; and
- 3) Has made restitution to indemnitors ER and DF; and

WHEREAS, cause does exist under N.J.S.A. 17:22A-40(a) and N.J.S.A. 17:22A-45c to impose a fine; and

WHEREAS, the Respondent has waived his right to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of \$2,500.00; and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

NOW, THEREFORE, IT IS on this

17th day of June 2015.

ORDERED AND AGREED, that the Respondent shall pay a fine in the amount of \$2,500.00; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check or money order made payable to the State of New Jersey, General Treasury in one payment of \$500.00 due and payable immediately upon the execution of this Consent Order by Respondent and 10 subsequent monthly payments of \$200.00, due and payable on or before the 25th of each month thereafter; and

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

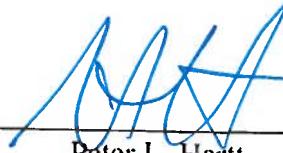
New Jersey Department of Banking and Insurance
ATTN: Virgil Downtin, Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement
P O Box 329
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the fine 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 the Respondent shall cease and desist from engaging in the conduct that gave rise to this Consent Order.



Peter L. Hart
Director of Insurance

Consented to as to
Form, Content and Entry

By: Karl Brown
Karl V. Brown
6/9/15
Date

MARY JANE KERATT
Notary Public of New Jersey
My Commission Expires March 1, 2018

