

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 revoke, suspend )  
 and/or fine the Insurance )  
 Producer Licenses of Blaze )  
 Bail Bonds, Inc., Reference )  
 No. 1010016, Rafael C. )  
 Agliata, Reference No. )  
 9580741, Eric F. Valentin, )  
 Reference No. 1004415, AJS )  
 Bail Bonds, LLC, Reference No. )  
 1066187, Abraham Bashner, Jr., )  
 Reference No. 1028905 )  
 )

---

**ORDER TO SHOW CAUSE**

TO:

Blaze Bail Bonds, Inc.  
426 State Street  
Perth Amboy, NJ 08861

Rafael C. Agliata  
44 Martin Lane  
Trenton, NJ 08619

Eric F. Valentin  
111 Piccadilly Drive  
Jackson, NJ 08527

AJS Bail Bonds, LLC  
650 Newark Avenue  
Jersey City, NJ 07306

Abraham Bashner, Jr.  
650 Newark Avenue  
Jersey City, NJ 07306

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Blaze Bail Bonds, Inc. ("Blaze"), Rafael

C. Agliata ("Agliata"), Eric F. Valentin ("Valentin"), AJS Bail Bonds, LLC ("AJS") and Abraham Bashner, Jr. ("Bashner") (collectively, "Respondents") may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Agliata was licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32 until his license expired on December 31, 2015; and

WHEREAS, Valentin is currently licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32; and

WHEREAS, Bashner was licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32 until his license was revoked by Final Order of the Commissioner on April 20, 2017; and

WHEREAS, Blaze was licensed as a resident business entity insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32, until its license expired on June 1, 2012; and

WHEREAS, AJS was licensed as a resident business entity insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32 until its license expired on May 31, 2016 and was revoked by Final Order of the Commissioner dated April 20, 2017; and

WHEREAS, Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A.

17:22A-26 et seq. ("Producer Act"), the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 et seq. ("Fraud Act") and the regulations promulgated thereunder, N.J.A.C. 11:16-1.1 et seq., the Producer Licensing regulations, N.J.A.C. 11:17-1.1 et seq., and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 et seq. and N.J.A.C. 11:17C-1.1 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(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-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, 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-40a(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.10, an insurance producer acts in a fiduciary capacity in the conduct of his or

her insurance business; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.5(a), each insurance producer shall maintain accurate books and records reflecting all insurance-related transactions in which the insurance producer or his employees take part in accordance with the Insurance Producer Standards of Conduct concerning management of funds at N.J.A.C. 11:17C-2.1 et seq.; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.5(b), each licensee shall maintain a register of all monies received, deposited, disbursed or withdrawn in connection with an insurance transaction; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.5(h), each insurance producer shall maintain a file for each client or customer which shall continue to be maintained for a period of at least five years after the termination of coverage, and such file shall include, at a minimum:

1. A copy of each application for insurance;
2. The name of any other insurance producer not employed by the insurance producer maintaining the record who handled any transaction or part thereof;
3. The insurance premium financing agreement, if any, and the name of the lender;
4. All correspondence received or sent with respect to any insurance or insurance related transaction; and
5. All receipts evidencing payment by credit card, charge card, debit card, or direct account deduction, as permitted pursuant to N.J.A.C. 11:1-24.

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, 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-40c, the producer license of a business entity may be suspended, revoked or refused if the Commissioner finds, after hearing, that an individual licensee's violation was known or should have been known by one or more of the partners, officers or managers acting on behalf of the business entity and the violation was neither reported to the Commissioner nor corrective action taken; and

WHEREAS, pursuant to N.J.A.C. 11:17-2.10(b)4, an employer shall be responsible for the insurance-related conduct of an employee; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.6(c), licensed partners, officers and directors, and all owners with an ownership interest 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.S.A. 17:22A-45c, any person violating any provision of the Producer Act shall be liable to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense, to restitution of moneys owed any person and to reimbursement of the costs of investigation and prosecution, as appropriate; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40d, 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-32b(2), a business entity acting as an insurance producer shall designate a licensed insurance producer or producers responsible for the business entity's compliance with the insurance laws, rules and regulations of this State; and

WHEREAS, at all times relevant hereto, Agliata and Valentin were the Designated Responsible Licensed Producers ("DRLP") and responsible for the activities of Blaze and Blaze's compliance with the insurance laws, pursuant to N.J.S.A. 17:22A-32b(2); and

WHEREAS, at all times relevant hereto, Bashner was the DRLP and responsible for the activities of AJS and AJS's compliance with the insurance laws, pursuant to N.J.S.A. 17:22A-32b(2); and

WHEREAS, on February 8, 2012, Blaze, Agliata, and Valentin voluntarily entered into a Consent Order with the Commissioner, admitting to violations of the Producer Act, for failing to return cash collateral on a bail bond in 2008 and failing to respond to a Department inquiry letter in 2011; and

WHEREAS, the February 8, 2012 Consent Order ordered Blaze, Agliata, and Valentin to cease and desist from engaging in the conduct that gave rise to the Consent Order, specifically failing to return cash collateral on a bail bond and failing to respond to a Department inquiry; and

WHEREAS, on April 20, 2017, the Department entered a Final Order against Bashner and AJS revoking their producer licenses, fining them \$17,000, imposing costs of \$450 and ordering restitution of \$20,000 for misappropriation of premium, failure to timely remit premium and failure to respond to a Department inquiry and a Department subpoena; and

**COUNT 1**  
**(ALL NAMED RESPONDENTS)**

IT APPEARING, that at all time relative hereto, Bashner was an agent of Blaze; and

IT FURTHER APPEARING, that on or about August 13, 2008, bail bond consumer "KC" was arrested in New York and held on a \$25,000.00 bail; and

IT FURTHER APPEARING, that on or about August 21, 2008, in connection with posting bail for KC, KC's relative, "HC", paid Bashner and AJS cash collateral in the amount of \$2,500.00; and

IT FURTHER APPEARING, that on or about August 21, 2008, in connection with posting bail for KC, four of KC's relatives completed Blaze's "Indemnitor Application" forms through AJS and Bashner, which were later faxed to Blaze; and

IT FURTHER APPEARING, that on or about August 25, 2008, in connection with posting bail for KC, HC paid Bashner and AJS additional cash collateral in the amount of \$7,500.00; and

IT FURTHER APPEARING, that on or about August 27, 2008, in connection with posting bail for KC, Blaze faxed to Williams National Surety Corporation ("Williams") copies of the collateral receipts relative to KC's bail bond; and

IT FURTHER APPEARING, that on or about August 29, 2008, in connection with posting bail for KC, KC's relative "WA" paid Bashner and AJS additional cash collateral in the amount of \$2,500.00; and

IT FURTHER APPEARING, that on or about October 8, 2008, a \$25,000.00 bond was posted for KC; and



IT FURTHER APPEARING, that on or about September 14, 2011, the \$25,000.00 bail posted for KC was exonerated by the court; and

IT FURTHER APPEARING, that after the bail was exonerated, KC's relatives (the "Family Sureties") who posted collateral with Respondents demanded return of their combined \$12,500.00 collateral; and

IT FURTHER APPEARING, that Respondents never returned the combined \$12,500.00 collateral to the Family Sureties; and

IT FURTHER APPEARING, that on or about July 18, 2012, the Department received a consumer complaint alleging the theft of the \$12,500.00 collateral by Respondents; and

IT FURTHER APPEARING, that on or about December 20, 2012, due to Respondents' failure to return the collateral, Williams, as insurer, was forced to return the \$12,500.00 collateral to the Family Sureties; and

IT FURTHER APPEARING, that this instance where Respondents accepted from the Family Sureties collateral funds in the amount of \$12,500.00, and failed to return the collateral when the bail bond was exonerated, constitutes violations of N.J.S.A. 17:22A-40a(2), (4), (8) & (16), and N.J.A.C. 11:17A-4.10; and

**COUNT 2**  
**(RESPONDENTS BLAZE, AGLIATA, & VALENTIN)**

IT FURTHER APPEARING, that this instance where Blaze, Agliata, and Valentin failed to supervise the insurance-related conduct of Bashner constitutes violations of N.J.S.A. 17:22A-40a(2) and (8), N.J.A.C. 11:17-2.10(b)4 and N.J.A.C. 11:17A-1.6(c);

NOW, THEREFORE, IT IS, on this <sup>9<sup>th</sup></sup> day of <sup>Mar</sup>, 2017  
ORDERED, that Respondents shall appear and show cause why their insurance producer licenses shall not be revoked by the Commissioner pursuant to the provisions of N.J.S.A. 17:22A-40a; and

IT IS FURTHER ORDERED, that Respondents appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and not exceeding \$10,000.00 for each subsequent violation, pursuant to the provisions of N.J.S.A. 17:22A-45c, due to Respondents' failures to comply with New Jersey's insurance laws and regulations; and

IT IS FURTHER ORDERED, that Respondents appear and show cause why they should not be ordered to pay restitution and to reimburse the costs of investigation and prosecution by the Department pursuant to the provisions of N.J.S.A. 17:22A-45c; and

IT IS PROVIDED, that Respondents have the right to request

an administrative hearing, to be represented by counsel or other qualified representative, at their own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas and subpoenas *duces tecum* 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, from each Respondent, each such Respondent's right to a hearing in this matter shall be deemed to have been waived by the Respondent, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, Department of Banking and Insurance, P.O. Box 329, Trenton, N.J. 08625 or by faxing the request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General Brian R. Fitzgerald at fax number (609) 777-3503. The request shall contain:

- (A) The licensee's 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 the Respondent has no specific knowledge regarding a fact alleged in this 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 a hearing.



---

PETER L. HARTT  
DIRECTOR OF INSURANCE