

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 insurance producer
license of Asma Norris, Reference No.
1001828)
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**SECOND AMENDED
ORDER TO SHOW CAUSE**

TO: Asma Norris
PO Box 277
Chester, NJ 07930

THIS MATTER, having been opened by Richard J. Badolato, Commissioner, New Jersey Department of Banking and Insurance (“Commissioner”), upon information that Asma Norris (“Respondent”), licensed as a resident insurance 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, Respondent is 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 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, on August 30, 2013, the Commissioner issued an Order to Show Cause, Order No. E13-82, seeking to fine, suspend, and/or revoke Respondent’s insurance producer license; and

WHEREAS, on March 19, 2014, the Commissioner issued an Amended Order to Show Cause, Order No. E14-33, seeking to fine, suspend, and/or revoke Respondent's insurance producer license; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance laws, 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(5), an insurance producer shall not intentionally misrepresent the terms of an actual or proposed insurance contract, policy or application for insurance; 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 the insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(10), an insurance producer shall not forge another's name to an application for insurance or to any document related to an insurance transaction; 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-2.8, no insurance producer shall make any misleading representations or incomplete or fraudulent comparison of any insurance policies

or annuity contracts or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, or convert any insurance policy or annuity contract, or to take out a policy of insurance or annuity contract with another insurer; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.2(a), all premium funds shall be remitted to the insurer or other insurance producer, as applicable, within five business days after receipt of the funds except as otherwise required; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person violating the Producer Act is subject to fines of up to \$5,000.00 for the first offense, and up to \$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

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

COUNT 1

IT APPEARING, that Respondent was at all relevant times a producer for Bankers Life & Casualty Company ("Bankers"); and

IT FURTHER APPEARING, that on or about March 25, 2008, Respondent induced M.S. into purchasing a Ten Year Renewable Convertible Term Life Policy by misrepresenting the instrument as a Universal Life Insurance Policy; and

IT FURTHER APPEARING, that Respondent failed to conduct a comprehensive policy review upon delivery of the Term Life Policy to ensure that M.S. understood the terms and conditions of the policy; and

IT FURTHER APPEARING, that Respondent admitted to Bankers that she represented to M.S. that the Term Life Policy was a Universal Life Policy; and

IT FURTHER APPEARING, that Respondent marked the policy as a Ten Year Renewable Convertible Term Life Policy on the policy application, which she signed; and

IT FURTHER APPEARING, that on August 24, 2009, following an internal investigation, Bankers voided the Term Life Policy and refunded M.S. all premiums paid towards the policy, totaling \$1,379.70 in value; and

IT FURTHER APPEARING, that Respondent's misrepresentation of the nature and terms of the policy she sold to M.S. constituted violations of N.J.S.A. 17:22A-40a(2), (5), (8), and (16); and

IT FURTHER APPEARING, that Respondent's failure to conduct a comprehensive policy review with M.S. upon her delivery to him of the Term Life Policy constituted violations of N.J.S.A. 17:22A-40a(2), (5), (8), and (16); and

COUNT 2

IT APPEARING, that in or around December 2006, Respondent met with J.S. and induced her into purchasing a Bankers' Equity Indexed Annuity ("EIA") by making multiple oral and written material misrepresentations as to the nature of the instrument; and

IT FURTHER APPEARING, that Respondent misrepresented to J.S. that purchasing the EIA would make J.S. eligible for the Specified Low-Income Beneficiary Program

("SLMB"), a federal program that assists qualified individuals with the payment of Medicare premiums; and

IT FURTHER APPEARING, that Respondent misrepresented to J.S. that the funds held in the EIA would be accessible at any time without penalty; and

IT FURTHER APPEARING, that prior to purchasing the EIA, J.S. stated to Respondent that she would purchase the annuity only if the funds held in the EIA would be fully accessible without penalty and that making the purchase would aid in J.S.' qualification for the SLMB program; and

IT FURTHER APPEARING, that on December 7, 2006, respondent sold J.S. a Bankers' EIA by inducing J.S. to roll over her Prudential IRA, valued at approximately \$17,0000, into the EIA; and

IT FURTHER APPEARING, that the purchase of the EIA was unnecessary for purposes of qualifying for the SLMB Program and, following the purchase, J.S. still did not qualify for the SLMB Program; and

IT FURTHER APPEARING, that the Annuity Suitability Questionnaire ("ASQ"), which was part of the EIA application, reflects that Respondent knowingly placed an annuity for J.S. that was contrary to J.S.' stated interests and needs; and

IT FURTHER APPEARING, that in response to question 2 on the ASQ, which asks how the EIA will be funded, the following boxes are checked: "Stocks/Bonds" and "Mutual Funds"; and

IT FURTHER APPEARING, that in response to question 17 on the ASQ, which asks about the applicant's savings, the applicant is listed as having no "Stocks/bonds" or "Mutual Funds"; and

IT FURTHER APPEARING, that in response to question 22 on the ASQ, which asks “[h]ow much of your savings do you believe needs to be totally liquid and accessible for your use[.]” the answer given is: “All”; and

IT FURTHER APPEARING, that J.S. wrote Bankers a letter dated February 21, 2008, in which she complained about Respondent’s misrepresentations and requested that Bankers transfer her annuity, without penalty, from the EIA “to an IRA with a firm [she] can trust”; and

IT FURTHER APPEARING, that J.S.’ signature on the ASQ differs from the signatures on the EIA’s delivery receipt and J.S.’ letter; and

IT FURTHER APPEARING, that on February 26, 2008, Bankers denied J.S.’ request for a penalty-free transfer of the EIA; and

IT FURTHER APPEARING, that Respondent’s misrepresentations to J.S. that purchasing the EIA would assist J.S. in qualifying for the SLMB program constituted violations of N.J.S.A. 17:22A-40a(2), (5), (8), and (16); and

IT FURTHER APPEARING, that Respondent’s misrepresentations to J.S. that J.S. would have unfettered and penalty-free access to the funds held in the EIA constituted violations of N.J.S.A. 17:22A-40a(2), (5), (8), and (16); and

IT FURTHER APPEARING, that Respondent’s forging of J.S.’ signature on the ASQ and/or her misrepresentations of fact concerning J.S.’ finances on the ASQ constituted violations of N.J.S.A. 17:22A-40a(2), (5), (8), (10), and (16); and

COUNT 3

IT APPEARING, that Respondent induced F.B. into purchasing a Single Premium Deferred Fixed Annuity by misrepresenting the instrument as being equivalent to a Certificate of Deposit; and

IT FURTHER APPEARING, that in or around June 2008, Respondent contacted F.B. about renewing a CD that he owned; and

IT FURTHER APPEARING, that F.B. realized that the instrument Respondent intended to sell him was an annuity and not a CD; and

IT FURTHER APPEARING, that F.B. informed Respondent that he did not wish to purchase an annuity; rather, he wished to purchase a “CD with instant liquidity after 1 years as [he] anticipated a large expense in home repairs[.]” at that time; and

IT FURTHER APPEARING, that in response to F.B.’s concerns, Respondent stated that the instrument she wished to sell him was a “Bankers Life version of a CD”;

IT FURTHER APPEARING, that based on Respondent’s misrepresentations as to the nature of the Bankers Fixed Annuity, F.B. agreed to accompany Respondent and her trainee, Jessica Locascio, to his bank in order to cash out his old CD, with a value of \$53,284.33, to purchase the Bankers Fixed Annuity; and

IT FURTHER APPEARING, that F.B. later became aware that the Bankers Fixed Annuity was not a “version of a CD”; and

IT FURTHER APPEARING, that on June 9, 2009, F.B. submitted a complaint to the New Jersey Department of Banking and Insurance, in which he stated that he wished “to receive the full original value of [his] CD plus one year’s interest as well as the bonus that was originally promised to [him].”; and

IT FURTHER APPEARING, that on June 22, 2009, the Department sent a letter to Bankers, demanding information concerning F.B.'s complaint; and

IT FURTHER APPEARING, that by letter dated July 14, 2009, Bankers responded to the Department's demand, in which it denied F.B.'s request that the company surrender the Bankers Fixed Annuity without penalty; and

IT FURTHER APPEARING, that Bankers' response letter contained a written and signed response from the Respondent dated July 9, 2009; and

IT FURTHER APPEARING, that in the Respondent's July 9, 2009 response, she stated that she had told F.B. that "[A]n annuity is like a CD with regards to the term period. The annuity has a better advantage during the term though because you can withdraw a certain percentage without penalty. . ."; and

IT FURTHER APPEARING, that on August 28, 2012, a Department investigator made contact with Jessica Locascio, Respondent's former trainee; and

IT FURTHER APPEARING, that Locascio stated that she recalls the Respondent telling F.B. that the Bankers Fixed Annuity was "just like a CD and that he could draw his money at any time without penalty."; and

IT FURTHER APPEARING, that Locascio also stated that Respondent would make material misrepresentations of fact concerning the terms and conditions of Bankers' annuities to her elderly clients as a matter of course in order to induce them to purchase these annuities; and

IT FURTHER APPEARING, that Respondent's misrepresentations to F.B. concerning the nature and terms and conditions of the Bankers Fixed Annuity constituted violations of N.J.S.A. 17:22A-40a(2), (5), (8), (16) and N.J.A.C. 11:17A-2.8; and

COUNT 4

IT APPEARING, that Respondent induced B.B. into purchasing a Single Premium Deferred Fixed Annuity by misrepresenting the instrument as being a Certificate of Deposit; and

IT FURTHER APPEARING, that on or about June 30, 2008, as a result of Respondent's material misrepresentations concerning the nature of the instrument, B.B. agreed to and did purchase the Bankers Fixed Annuity for \$36,075.50 by means of a direct transfer from her Hartford US Wealth Management account; and

IT FURTHER APPEARING, that B.B. later realized that the Bankers Fixed Annuity was not a CD nor did it function like one; and

IT FURTHER APPEARING, that on June 9, 2009, B.B. submitted a complaint to the New Jersey Department of Banking and Insurance, in which she stated that she had purchased what she had "thought was a fixed CD for a 1 year [term] from Agent Asma Norris and her associate Jessica Locascio."; and

IT FURTHER APPEARING, that in the June 9, 2009 complaint, she requested "to have the full original value of my variable annuity rollover plus interest and bonus refunded to me . . ."; and

IT FURTHER APPEARING, that on June 22, 2009, the Department sent a letter to Bankers, demanding information concerning B.B.'s complaint; and

IT FURTHER APPEARING, that by letter dated July 14, 2009, Bankers responded to the Department's demand, in which it denied B.B.'s request that the company surrender the Fixed Annuity without penalty; and

IT FURTHER APPEARING, that Bankers' response letter contained a written and signed response from the Respondent dated July 9, 2009; and

IT FURTHER APPEARING, that in the July 9, 2009 response by Respondent, she stated that she "never told [B.B.] this was a CD."; and

IT FURTHER APPEARING, that Respondent's misrepresentations to B.B. concerning the nature and terms and conditions of the Bankers Fixed Annuity constituted violations of N.J.S.A. 17:22A-40a(2), (5), (8), and (16); and

COUNT 5

IT APPEARING, that on or about June 22, 2010, Respondent submitted an application for a Fixed Deferred Bankers Annuity on behalf of R.D.; and

IT FURTHER APPEARING, that on the annuity application, Respondent falsely represented that R.D. was seventy-seven years old when, in fact, he was eighty-seven years old; and

IT FURTHER APPEARING, that the maximum age for the annuity applied for was eighty-five; and

IT FURTHER APPEARING, that had Respondent supplied R.D.'s true age on the annuity application, R.D. would not have qualified for the annuity; and

IT FURTHER APPEARING, that as part of the annuity application, the applicant had to complete and sign an Annuity Suitability Questionnaire; and

IT FURTHER APPEARING, that on the Annuity Suitability Questionnaire, Respondent falsely represented that R.D. was seventy-seven years old when, in fact, he was eighty-seven years old; and

IT FURTHER APPEARING, that on the Annuity Suitability Questionnaire, Respondent falsely represented that R.D. had the following assets: 1) \$24,000 in a Savings/Checking account, 2) \$6,000 in a Money market account, and 3) \$40,000 in CDs; and

IT FURTHER APPEARING, that R.D. did not possess and does not possess any of the above assets; and

IT FURTHER APPEARING, that Respondent's fraudulent representations on R.D.'s annuity application and Annuity Suitability Questionnaire constituted violations of N.J.S.A. 17:22A-40a(2), (8), and (16); and

COUNT 6

IT APPEARING, that on or about June 18, 2012, Respondent submitted an application for a Modified Single Premium Deferred Bankers Annuity on behalf of H.H.; and

IT FURTHER APPEARING, that in order to qualify for this annuity, the applicant's total assets, excluding his or her primary residence, must be equal to or greater than 50% of the initial premium payment; and

IT FURTHER APPEARING, that in order to qualify for this annuity, the applicant must have \$25,000 or more in liquid assets after paying the initial premium, if liquid assets were the source of the initial premium; and

IT FURTHER APPEARING, that the initial premium for this annuity was \$35,900; and

IT FURTHER APPEARING, that as part of the annuity application, the applicant had to complete and sign an Annuity Suitability Questionnaire; and

IT FURTHER APPEARING, that in response to the Annuity Suitability Questionnaire question that asks for “the source of funds for this annuity[,] Respondent checked the box labeled “CD,” only; and

IT FURTHER APPEARING, that on the Annuity Suitability Questionnaire, Respondent represented that H.H. had the following liquid assets: 1) \$45,000 in a Savings/Checking account, 2) \$65,000 in a Money market account, and 3) \$35,900 in CDs and 4) \$60,000 in “additional CDs”; and

IT FURTHER APPEARING, that H.H. did possess a \$35,900 CD; however, she did not and does not possess any of the other above liquid assets; and

IT FURTHER APPEARING, that H.H. possessed only approximately \$2,000 in her checking account at the time she purchased the annuity; and

IT FURTHER APPEARING, that had the Respondent supplied the true value of H.H.’s liquid assets at the time of the annuity’s purchase, H.H. would not have qualified for the annuity; and

IT FURTHER APPEARING, that Respondent’s fraudulent representations on H.H.’s Annuity Suitability Questionnaire constituted violations of N.J.S.A. 17:22A-40a(2), (8), and (16); and

COUNT 7

IT APPEARING, that on or about October 12, 2012, Respondent submitted an application for a Deferred Bankers Annuity on behalf of E.G.; and

IT FURTHER APPEARING, that on the annuity application, Respondent falsely represented that E.G. was seventy-seven years old when, in fact, she was eighty-seven years old; and

IT FURTHER APPEARING, that the maximum age for the annuity applied for was eighty-five; and

IT FURTHER APPEARING, that had the Respondent supplied E.G.'s true age on the annuity application, E.G. would not have qualified for the annuity; and

IT FURTHER APPEARING, that as part of the annuity application, the applicant had to complete and sign an Annuity Suitability Questionnaire; and

IT FURTHER APPEARING, that on the Annuity Suitability Questionnaire, Respondent falsely represented that E.G. was seventy-seven years old when, in fact, she was eighty-seven years old; and

IT FURTHER APPEARING, that on the Annuity Suitability Questionnaire, Respondent falsely represented that E.G. had 1) \$450,000 in stocks, bonds, mutual funds, or brokerage accounts, and 2) a \$12,000 life insurance policy; and

IT FURTHER APPEARING, that E.G. did not possess and does not possess any of the above assets; and

IT FURTHER APPEARING, that Respondent's fraudulent representations on E.G.'s annuity application and Annuity Suitability Questionnaire constituted violations of N.J.S.A. 17:22A-40a(2), (8), and (16); and

COUNT 8

IT APPEARING, that on or about March 21, 2012, Respondent met with R.B. for the purpose of selling him a Bankers' Indexed Deferred Annuity; and

IT FURTHER APPEARING, that on or about March 21, 2012, R.B. completed and signed an application for the Bankers' Indexed Deferred Annuity ("True Application"); and

IT FURTHER APPEARING, that on or about March 21, 2012, R.B. wrote a check to Bankers for a premium payment of \$310,000, which check he gave to Respondent; and

IT FURTHER APPEARING, that on or about March 21, 2012, R.B. made or was provided with a copy of the application for the annuity; and

IT FURTHER APPEARING, that instead of forwarding the application completed and signed by R.B. to Bankers' Home Office for processing, Respondent sent a falsified application that R.B. had not completed or approved ("False Application"); and

IT FURTHER APPEARING, that the False Application contained a false name, date of birth, social security number, address, and phone number; and

IT FURTHER APPEARING, that because Bankers had received and processed the False Application instead of the True Application, R.B. would not have been able to access the annuity, as it was issued for a fictitious person; and

IT FURTHER APPEARING, that on or about February 6, 2013, agents from Bankers' Special Investigations Unit ("SIU") met with R.B. to discuss the annuity; and

IT FURTHER APPEARING, that the SIU agents provided R.B. with a copy of the False Application; and

IT FURTHER APPEARING, that R.B. told the SIU agents that he had never seen the False Application before; and

IT FURTHER APPEARING, that R.B. produced a copy of the True Application for the SIU agents; and

IT FURTHER APPEARING, that Respondent's creation of the False Application, which contained numerous misrepresentations of fact, constituted violations of N.J.S.A. 17:22A-40a(2), (8), and (16); and

COUNT 9

IT APPEARING, that on or about April 29, 2012, C.G.'s father passed away, leaving C.G. a Bankers' Modified Single Premium Annuity valued at approximately \$360,000, which policy had been sold to C.G.'s father by Respondent; and

IT FURTHER APPEARING, that in or around May of 2012, C.G. called Respondent and informed Respondent of her father's death; and

IT FURTHER APPEARING, that during the same phone call, C.G. requested that Respondent transfer the funds from her father's annuity into C.G.'s name; and

IT FURTHER APPEARING, that C.G. never met with Respondent to complete the forms necessary for the issuance of the annuity in her own name; and

IT FURTHER APPEARING, that Respondent completed an application for the purpose of issuing an annuity in C.G.'s name using the funds from C.G.'s father's annuity; and

IT FURTHER APPEARING, that Respondent forged C.G.'s signature on the application, the Required Taxpayer Identification and Certification Form, the Annuity Suitability Questionnaire, the Replacement of Life Insurance or Annuities Form, the Annuity Disclosure Notice, the Withdrawal Charges Disclosure Form, the Beneficiary Annuity Claim Form, and the Authorization to Transfer Funds Form; and

IT FURTHER APPEARING, that in order to qualify for this annuity, the applicant's total assets, excluding his or her primary residence, must be equal to or greater than 50% of the initial premium payment; and

IT FURTHER APPEARING, that the initial premium for this annuity was \$360,000; and

IT FURTHER APPEARING, that as part of the annuity application, the applicant had to complete and sign an Annuity Suitability Questionnaire; and

IT FURTHER APPEARING, that on the Annuity Suitability Questionnaire, Respondent represented that C.G. had the following assets: 1) \$250,000 in real estate (excluding primary residence), 2) \$110,000 in "Other Qualified Assets", 3) \$18,000 in cash value from a life insurance policy, 4) \$48,000 in savings/checking, 5) \$15,000 in money market accounts, 6) \$400,000 in stocks, bonds, mutual funds, or brokerage accounts, 6) \$60,000 in CDs, and 7) \$600,000 in "gold coins and bullion of gold inherited from dad"; and

IT FURTHER APPEARING, that C.G. did not possess any of the above assets; and

IT FURTHER APPEARING, that in or around the time Respondent submitted the annuity application, C.G.'s assets consisted of approximately 1) \$2,000 in a checking account, 2) \$3,000 in a CD, and 3) the \$360,000 annuity inherited from her father; and

IT FURTHER APPEARING, that on the Annuity Suitability Questionnaire, Respondent falsely listed C.G.'s approximate net annual income after taxes to be \$180,000; and

IT FURTHER APPEARING, that C.G.'s approximate net annual income in or around the time Respondent submitted the annuity application was \$39,000, plus approximately \$41,000 in annual income from her husband; and

IT FURTHER APPEARING, that had Respondent supplied the true value of C.G.'s assets at the time of the annuity's purchase, C.G. would not have qualified for the annuity; and

IT FURTHER APPEARING, that Respondent's forging of C.G.'s signature on at least eight separate forms submitted to Bankers constituted violations of N.J.S.A. 17:22A-40a(2), (8) and (10); and

IT FURTHER APPEARING, that Respondent's fraudulent representations on C.G.'s Annuity Suitability Questionnaire constituted violations of N.J.S.A. 17:22A-40a(2), (8), (16) and N.J.A.C. 11:17A-2.8; and

COUNT 10 (New)

IT APPEARING, that on or about February 21 2006, R.P. purchased a 10-year fixed annuity with Bankers (the "2006 Bankers Annuity") with the assistance of Respondent; and

IT FURTHER APPEARING, that in or around May 2009, Respondent advised R.P. to purchase a new deferred indexed annuity with Bankers (the "2009 Deferred Annuity"); and

IT FURTHER APPEARING, that in or around May 2009, Respondent advised R.P. to pay the initial premium of \$60,000.00 for the 2009 Deferred Annuity with funds derived from a partial withdrawal from the 2006 Bankers Annuity; and

IT FURTHER APPEARING, that on or about May 28, 2009, at the Respondent's urging, R.P. wrote a personal check in the amount of \$60,000.00 payable to "Rylocat Inc.," and provided said check to the Respondent; and

IT FURTHER APPEARING, that R.P.'s check made payable to "Rylocat Inc." was deposited or cashed; and

IT FURTHER APPEARING, that R.P. received a copy of his cancelled check made payable to "Rylocat Inc." with his name and address redacted from the top left corner; and

IT FURTHER APPEARING, that "Rylocat Inc." was the mortgage lender for real property owned by the Respondent, and had no connection to Bankers; and

IT FURTHER APPEARING, that Respondent failed to submit R.P.'s application and premium payment to Bankers; and

IT FURTHER APPEARING, that on or about April 30, 2010, approximately one year after R.P. signed an application and paid the Respondent for the 2009 Deferred Annuity, Respondent submitted an application and a \$60,000.00 premium to Bankers on behalf of R.P; and

IT FURTHER APPEARING, that during or around February 2014, R.P. discovered that his \$60,000.00 premium was not provided to Bankers until one year after he signed an application and provided premium funds to the Respondent; and

IT FURTHER APPEARING, that during or around February 2014, R.P. contacted Bankers to inquire as to what the Respondent did with his \$60,000.00 for one year, and what interest should have been earned during that time; and

IT FURTHER APPEARING, that R.P. confirmed that the application submitted by Respondent to Bankers on or about April 30, 2010 contained an inaccurate address for R.P., and that R.P.'s signature was forged numerous times; and

IT FURTHER APPEARING, that on the Annuity Suitability Questionnaire, Respondent represented that R.P. had the following assets: 1) \$280,000.00 in non-qualified annuities and Life Insurance cash value, 2) \$180,000.00 in qualified assets, 3) \$120,000.00 in checking and savings accounts, 4) \$40,000.00 in a money market account, and 5) \$20,000.00 in certificates of deposit; and

IT FURTHER APPEARING, that R.P. confirmed that he did not fill out the Annuity Suitability Questionnaire, and that he did not have any of the assets described in the questionnaire; and

IT FURTHER APPEARING, that Respondent's fraudulent representations on R.P.'s Annuity Suitability Questionnaire constitute violations of N.J.S.A. 17:22A-40a(2), (8), and (16); and

IT FURTHER APPEARING, that Respondent's forging of R.P.'s signature on application forms submitted to Bankers constitute violations of N.J.S.A. 17:22A-40a(2), (8) and (10); and

IT FURTHER APPEARING, that Respondent's failure to remit R.P.'s \$60,000.00 premium and annuity application to Bankers for a period of one year constitute violations of N.J.S.A. 17:22A-40a(2) and (8), and N.J.A.C. 11:17C-2.2(a); and

IT FURTHER APPEARING, that Respondent's use of R.P.'s \$60,000.00 premium funds to pay her own mortgage lender, "Rylocat Inc." constitute violations of N.J.S.A. 17:22A-40a(2), (4), (8), and (16),

NOW, THEREFORE, IT IS on this 19th day of May, 2017

ORDERED, that Respondent appear and show cause why her New Jersey insurance producer license shall not be revoked pursuant to N.J.S.A. 17:22A-40a; 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 \$10,000.00 for each subsequent violation of the Producer Act pursuant to the provisions of N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED, that Respondent appear and show cause why she should not be required to pay restitution of moneys owed to any person and to reimburse the Department for the cost of the investigation and prosecution, as authorized pursuant to N.J.S.A. 17:22A-45c; and

IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at her 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, the 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, New Jersey 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 Kevin McGowan at fax number (609) 777-3503. The request shall contain:

- (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 the 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.



Peter L. Hartt
Director of Insurance