

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of)
Banking and Insurance, State of)
of New Jersey, to fine, suspend and/or)
revoke the insurance license of Hugh R.)
Hunsinger, Jr., Reference No. 947260)

FINAL ORDER

TO: Hugh R. Hunsinger, Jr.
3 Hamilton Place
Pine Brook, New Jersey 07058

Hugh R. Hunsinger, Jr.
61 S. Paramus Rd., Suite 425
Paramus, New Jersey 07652

Hugh R. Hunsinger, Jr.
37 School Avenue
East Hanover, New Jersey 07936

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon issuance of Order to Show Cause No. E17-09 (the “Order to Show Cause”) alleging that Hugh R. Hunsinger, Jr. (“Hunsinger”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Hunsinger was licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32, until August 31, 2012 when his license expired; and

WHEREAS, Hunsinger 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. 11:17D-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(6), an insurance producer shall not be convicted of a felony or crime of the fourth degree or higher; 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.S.A. 17:22A-40d, the Commissioner shall retain 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 has been surrendered or has lapsed by operation of law; 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. 11:17-2.8(f)1 and 2, all licensees shall provide the Department with a complete and current business mailing address, and, if different, a street or location address, phone number and, if applicable, an email address, and individual licensees shall also provide the Department with a complete and current residence address, phone number and, if applicable, an email address, and all licensees must notify the Department of any change of the foregoing information within 30 days of a change; and

WHEREAS, pursuant to N.J.A.C. 11:17-2.8(f)3, any legal process issued pursuant to the statutory authority of the Commissioner including, but not limited to, subpoenas, orders and orders to show cause may be served by sending the documents to the business mailing or residence address of the licensee then on file with the Department; and

WHEREAS, pursuant to N.J.A.C. 11:17D-2.1(a)1, before imposing an administrative penalty, the Department shall direct a notice by certified mail or personal delivery to the last known business or mailing address of the alleged violator, which shall include a reference to the statute, rule and/or administrative order alleged to be violated, a concise statement of the facts alleged to constitute the violation, a statement of the administrative penalty or penalties sought to be imposed and a statement advising the alleged violator of the right to a hearing and the procedure for requesting a hearing; and

WHEREAS, pursuant to N.J.A.C. 11:17D-2.1(a)3, the notice shall be served by personal delivery, or by certified mail, to the alleged violator's last known business or mailing address, according to the files maintained by the Department, and service in this manner shall be considered lawful service on the alleged violator; and

WHEREAS, on March 3, 2017, the Commissioner issued the Order to Show Cause

alleging violations of New Jersey insurance laws by Hunsinger as set forth in the following

Counts:

COUNT 1

IT APPEARING that, on or about June 6, 2013, the Financial Industry Regulatory Authority (“FINRA”) served a complaint upon Respondent Hunsinger charging him with possible actionable misconduct; and

IT FURTHER APPEARING that, on October 15, 2013, FINRA issued a Default Decision against Respondent; and

IT FURTHER APPEARING that FINRA found and concluded that between 2002 and 2011 Respondent converted customer funds from Individual Retirement Accounts in the total amount of \$1,452,503.57 from HRH and MLH, in violation of NASD Rules 2330(a) and 2110, and FINRA Rules 2150 and 2010; and

IT FURTHER APPEARING that FINRA found and concluded that between 2006 and 2011 Respondent engaged in securities fraud in violation of Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5 of the Securities Exchange Commission and willfully violated FINRA Rules 2010, 2020 and NASD Rule 2120 by convincing HRH and MLH to sell securities to purchase an annuity, even though Respondent intended to, and did, use the sales proceeds for his own purposes and then made repeated false statements to HRH and MLH that the investment had been made, when, in fact, it had not been made; and

IT FURTHER APPEARING that FINRA found and concluded that on November 23, 2011 and December 12, 2011, respectively, FINRA requested Respondent to provide information and documents related to its investigation and Respondent failed to provide information requested by FINRA in violation of FINRA Rule 8210; and

IT FURTHER APPEARING that the FINRA’s Default Decision dated October 15, 2013 ordered that Respondent Hunsinger be barred from associating with any FINRA member firm in any capacity for converting customers’ funds, engaging in securities fraud and for failing to respond in any manner to FINRA’s requests for information; and

IT FURTHER APPEARING that FINRA's Default Decision dated October 15, 2013 ordered that Respondent Hunsinger pay restitution in the principal amount of \$1,452,503.57, plus interest from July 8, 2011, until paid in full; and

IT FURTHER APPEARING that Respondent's misappropriation of customer funds constitutes violations of N.J.S.A. 17:22A-40a(2), (4), and (8); and

IT FURTHER APPEARING that Respondent committed fraudulent acts when he made material false and misleading statements in the sale of securities and failed to purchase an annuity as promised as set forth above in violation of N.J.S.A. 17:22A-40a(16) and N.J.A.C. 11:17A-4.10; and

COUNT 2

IT FURTHER APPEARING, on August 6, 2013, Respondent pleaded guilty in an action brought in the Superior Court, Bergen County, bearing docket number BER-13-08-1074-A to criminal Accusation No. 1074 charging him with second degree Theft by Unlawful Taking in violation of N.J.S.A. 2C:20-3a; and

IT FURTHER APPEARING, on November 14, 2013, a Judgment of Conviction and Order of Commitment was entered against Respondent sentencing him to 5 years at the Department of Corrections; and

IT FURTHER APPEARING that the Superior Court action was related to the same conduct of Respondent as described above in Count 1; and

IT FURTHER APPEARING that on August 6, 2013, Respondent entered into a Consent Judgment in favor of HRH and MLH in the amount of \$1,354,496.44; and

IT FURTHER APPEARING that, on November 20, 2013, an Order of Suspension was entered by the Honorable Edward A. Jerejian, J.S.C. against Respondent ordering that Respondent's New Jersey insurance producer license be suspended for a period of five years and that the Order did not prevent the New Jersey Department of Banking and Insurance from taking any other action permitted by law against the Respondent; and

IT FURTHER APPEARING that Respondent's criminal

conviction for Theft by Unlawful Taking in the Second Degree constitutes a violation of N.J.S.A. 17:22A-40a(6); and

WHEREAS, Hunsinger was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing; and

WHEREAS, as set forth in the Certification of Deputy Attorney General Carl M. Bornmann, attached hereto as Exhibit A, under cover letters dated March 7, 2017, April 12, 2017 and April 27, 2017, respectively, the Order to Show Cause was sent by certified and regular mail to the last known business address of Hunsinger at Sagemark Consulting, 61 S Paramus Road, Suite 425, Paramus, NJ 07652 and the last known mailing addresses of Hunsinger at 3 Hamilton Place, Pine Brook, NJ 07058, and to another potential address of Hunsinger at 37 School Avenue, East Hanover, NJ 07936, pursuant to the certification; and

WHEREAS, service of the Order to Show Cause to the last known business address of Hunsinger at Sagemark Consulting, 61 S Paramus Road, Suite 425, Paramus, NJ 07652 and the last known mailing addresses of Hunsinger at 3 Hamilton Place, Pine Brook, NJ 07058 constitutes lawful service, pursuant to N.J.A.C. 11:17D-2.1(a)3.

WHEREAS, Hunsinger failed to provide a written response to the charges contained in the Order to Show Cause, and therefore, pursuant to N.J.A.C. 11:17D-2.1(b)1, Hunsinger has waived his right to a hearing to contest these charges and the charges are deemed admitted by Hunsinger; and

NOW, THEREFORE, IT IS on this 31st day of August, 2017:

ORDERED that the charges contained in the Order to Show Cause are deemed admitted by Hunsinger pursuant to N.J.A.C. 11:17D-2.1(b)1; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-40 and N.J.A.C. 11:17D-

2.1(b)2, the insurance producer license of Hunsinger is **REVOKED** effective upon the execution of this Final Order; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-45c, Hunsinger shall pay civil penalties as follows:

Count 1: Hunsinger shall pay a civil penalty of \$5,000.00 for the violation described in Count 1 of the Order to Show Cause; and

Count 2: Hunsinger shall pay a civil penalty of \$5,000.00 for the violation described in Count 2 of the Order to Show Cause; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-45c and N.J.A.C. 11:1-32.4(b)20, Hunsinger shall reimburse the Department of Banking and Insurance for the costs associated with the investigation of this matter, as evidenced by the Certification of Costs by Investigator Daxesh Patel, attached hereto as Exhibit B, totaling \$300.00; and

IT IS FURTHER ORDERED that Hunsinger shall pay the above fines and costs totaling \$10,300.00 in full by remitting payment to the Department of Banking and Insurance, State of New Jersey, 20 West State Street, P.O. Box 329, Trenton, New Jersey 08625, Attention: Virgil Downtin, Chief of Investigations by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," within ten (10) days from the date of service of this Order; and

IT IS FURTHER ORDERED that pursuant to N.J.S.A. 17:22A-45c, Hunsinger shall make restitution to HRH and MLH in the amount of \$1,452,503.57, plus interest from July 8, 2011, until paid in full; and

IT IS FURTHER ORDERED that in the event full payment of the fines, restitution and

costs are 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 of 1999, N.J.S.A. 2A:58-10 et seq.; and

IT IS FURTHER ORDERED that the fines and costs 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 the Order to Show Cause.



Peter L. Hart
Director of Insurance

EXHIBIT A

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 and)
revoke the insurance)
producer license of Hugh R.)
Hunsinger, Jr. Reference No.)
9472608)

**CERTIFICATION OF
DEPUTY ATTORNEY GENERAL
CARL M. BORNMAN**

I, Carl M. Bornmann, 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 a Deputy Attorney General assigned as counsel for the Commissioner of Banking and Insurance, State of New Jersey, ("Commissioner"), in the above-captioned matter. I make this certification in support of entry of the Final Order in the above-captioned case against Respondent Hugh R. Hunsinger, Jr. ("Hunsinger").

2. On March 3, 2017, the Commissioner issued Order to Show Cause No. E17-09 against Hunsinger charging him with violations of the insurance laws of this State, pursuant to N.J.S.A. 17:22A-40.

3. Under cover letter dated March 7, 2017, our office served Hunsinger with Order to Show Cause No. E17-09 at Hunsinger's mailing address on file with the New Jersey Department of Banking and Insurance. Specifically, the cover letter and Order to Show Cause were sent via certified mail, return receipt requested, and regular mail to Hunsinger's last known mailing

address on file with the Department at 3 Hamilton Place, Pine Brook, New Jersey 07058.

4. The regular mailings was returned with "Not Deliverable as Addressed" marked on the envelopes and the certified mailings were returned "unclaimed". However, service upon Hunsinger is proper and lawful service pursuant to N.J.A.C. 11:17D-2.1(a)3.

5. Under cover letter dated April 12, 2017, our office served Hunsinger with Order to Show Cause No. E17-09 at Hunsinger's business address on file with the New Jersey Department of Banking and Insurance. Specifically, the cover letter and Order to Show Cause were sent via certified mail, return receipt requested, and regular mail to Hunsinger's last known business address on file with the Department at Sagemark Consulting, 61 S. Paramus Road, Suite 425, Paramus, New Jersey 07652.

6. On or about April 17, 2017, this office received a signed mailing receipt from Sagemark Consulting, 61 S. Paramus Road, Suite 425, Paramus, New Jersey 07652 acknowledging receipt of the certified mailing. The mailing sent regular mail was not returned to this office. In addition, this office also received a letter from the Lincoln Financial Group stating that Hunsinger no longer works in the Paramus, New Jersey office and that they did not have forwarding information. A true and exact copy of the signed mailing receipt and letter received are attached as Exhibit A. Therefore, service upon Hunsinger is proper and lawful service pursuant to N.J.A.C. 11:17D-2.1(a)3.


7. During the course of the investigation, the Department searched for an updated current residence address for Respondent Hunsinger and identified a potential address for Hunsinger at 37 School Avenue, East Hanover, New Jersey 07936.

8. Under cover letter dated April 27, 2017, our office served Hunsinger with Order to Show Cause No. E17-09 at Hunsinger's potential current residence address. Specifically, the cover letter and Order to Show Cause were sent via certified mail, return receipt requested, and regular mail to Hunsinger at 37 School Avenue, East Hanover, New Jersey 07936.

9. This office received a signed mailing receipt from 37 School Avenue, East Hanover, New Jersey 07936 acknowledging receipt of the certified mailing. The mailing sent regular mail was not returned to this office. The Commissioner has exercised due diligence in the service of the Order to Show Cause upon Respondent Hunsinger. A true and exact copy of the signed mailing receipt is attached as Exhibit B.

10. Pursuant to N.J.S.A. 11:17D-2.1(a)3, service of the Order to Show Cause on the last known business and mailing addresses of Respondent on file with the Department as described above constitutes lawful service upon Hunsinger.

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.



Carl M. Hornmann
Deputy Attorney General

Dated: 8-25-17

EXHIBIT A

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Hugh R. Hunsinger, Jr.
c/o Sagemark Consulting
61 S. Paramus Road, Suite 425
Paramus, New Jersey 07652



9590 9402 1554 5362 4012 99

2. Article Number (Transfer from service label)

7011 1570 0003 3759 6876

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent

[Handwritten Signature] Addressee
B. Received by (Printed Name) Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type Priority Mail Express

Adult Signature Registered Mail™

Adult Signature Restricted Delivery Registered Mail Restricted Delivery

Certified Mail® Return Receipt for Merchandise

Certified Mail Restricted Delivery Signature Confirmation

Collect on Delivery Signature Confirmation Restricted Delivery

Insured Mail Signature Confirmation Restricted Delivery

Insured Mail Restricted Delivery (over \$500)

Domestic Return Re



Michael W. Arnold
AVP & Senior Counsel

Legal Department
The Lincoln National Life Insurance Company
1300 S. Clinton St.
Fort Wayne, IN 46802
Phone 260 455-4503
Fax 260 455-0134

April 20, 2017

Carl M. Bornmann
Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
25 Market Street
P.O. Box 117
Trenton, New Jersey 08625-0117

Re: Commissioner of Banking and Insurance v. Hugh R. Hunsinger, Jr.
Order to Show Cause E:17-09

Dear Mr. Bornmann:

Your letter of April 12, 2017, addressed to Hugh R. Hunsinger, Jr., c/o Sagemark Consulting was forwarded to me for review. I am writing to advise that Mr. Hunsinger no longer works in the Paramus, New Jersey office. Our understanding is that Mr. Hunsinger is incarcerated but we do not have forwarding information.

If you have any questions or concerns, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Michael W. Arnold'.

Michael W. Arnold
AVP & Senior Counsel

/eb/2277952v1

EXHIBIT B

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Hugh R. Hunsinger, Jr.
37 School Avenue
East Hanover, NJ 07936



9590 9402 1554 5362 4012 20

2. Article Number (transfer from service label)

7011 1570 0003 3759 6982

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Mike C. Hunsinger Agent
 B. Received by (Printed Name) Addresses

C. Date of Delivery

D. Is delivery address different from item 1? Yes
 if YES, enter delivery address below: No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

EXHIBIT B

Proceedings by the Commissioner)
of Banking and Insurance, State)
of New Jersey, to fine and)
revoke the insurance)
producer license of Hugh R.)
Hunsinger, Jr., Reference No.)
9472608)

**CERTIFICATION OF COSTS
BY INVESTIGATOR
DAXESH PATEL**

I, Daxesh M. Patel, 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 Insurance, Consumer Protection Services, Enforcement ("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. 17:22A-45c.

3. On or about 12/19/2012 I was assigned responsibility for conducting an investigation to determine whether Hugh R. Hunsinger, Jr., may have violated certain provisions of the New Jersey Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq., and related insurance regulations.

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:

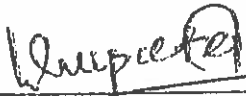
DATE	TIME IN HRS.	PHONE	CASE PREP.	COMMENTS
6/12/2013 to 12/19/2013	1.00	X		Phone calls and e-mail communications with the CJ DAG Brad Muller
12/19/2013	3.00		X	Prepared Factual and Evidence Summary
1/2/2014	.25	X		Phone call and E-mail communication to DAG Muller and Lincoln Financial Advisor
2/20/2014	1.00		X	Prepared Investigation Report
8/23/2017	.75		X	Reviewed file, State Based System and prepared cost certification
TOTAL TIME	6.00 Hours	@ \$50.00 per hour = TOTAL COST OF INVESTIGATION - \$300.00		

5. As this schedule reflects, the investigative efforts expended by the Department of Insurance concerning this matter total 6 hours and 00 minutes. Pursuant to N.J.A.C. 11:1-32.4(b)20, costs to the Department for the investigation and prosecution for violations of the New Jersey Insurance Producer Licensing Act, N.J.S.A. 17:22A-40, are 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

\$300.00.

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.



Daxesh M. Patel

Dated: August 28, 2017

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,)	ORDER TO SHOW CAUSE
and/or revoke the insurance)	
license of Hugh R. Hunsinger, Jr.,)	
Reference No. 9472608)	
_____)	

TO: Hugh R. Hunsinger, Jr.
3 Hamilton Place
Pine Brook, New Jersey 07058

Hugh R. Hunsinger, Jr.
14 Stiles Lane
Pine Brook, New Jersey 07058

THIS MATTER, having been opened to the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Hugh R. Hunsinger, Jr. ("Hunsinger" or "Respondent"), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, the Respondent was licensed as a resident insurance producer, pursuant to N.J.S.A. 17:22A-32, until his license expired on August 31, 2012; and

WHEREAS, the 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. (the "Producer Act"); 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(6), an insurance producer shall not have been convicted of a felony or crime of the fourth degree or higher; 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.S.A. 17:22A-40d, the Commissioner shall retain 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 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 has been surrendered or has lapsed by operation of law; 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

COUNT 1

IT APPEARING that, on or about June 6, 2013, the Financial Industry Regulatory Authority ("FINRA") served a complaint upon Respondent Hunsinger charging him with possible actionable misconduct; and

IT FURTHER APPEARING that, on October 15, 2013, FINRA issued a Default Decision against Respondent; and

IT FURTHER APPEARING that FINRA found and concluded that between 2002 and 2011 Respondent converted customer funds from Individual Retirement Accounts in the total amount of \$1,452,503.57 from HRH and MLH, in violation of NASD Rules 2330(a) and 2110, and FINRA Rules 2150 and 2010; and

IT FURTHER APPEARING that FINRA found and concluded that between 2006 and 2011 Respondent engaged in securities fraud in violation of Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5 of the Securities and Exchange Commission and willfully violated FINRA Rules 2010, 2020 and NASD Rule 2120 by convincing HRH and MLH to sell securities to purchase an annuity, even though Respondent intended to, and did, use the sales proceeds

for his own purposes and then made repeated false statements to HRH and MLH that the investment had been made, when, in fact, it had not been made; and

IT FURTHER APPEARING that FINRA found and concluded that on November 23, 2011 and December 12, 2011, respectively, FINRA requested Respondent to provide information and documents related to its investigation and Respondent failed to provide information requested by FINRA in violation of FINRA Rule 8210; and

IT FURTHER APPEARING that the FINRA's Default Decision dated October 15, 2013 ordered that Respondent Hunsinger be barred from associating with any FINRA member firm in any capacity for converting customers' funds, engaging in securities fraud and for failing to respond in any manner to FINRA's requests for information; and

IT FURTHER APPEARING that FINRA's Default Decision dated October 15, 2013 ordered that Respondent Hunsinger pay restitution in the principal amount of \$1,452,503.57, plus interest from July 8, 2011, until paid in full; and

IT FURTHER APPEARING that Respondent's misappropriation of customer funds constitutes violations of N.J.S.A. 17:22A-40a(2), (4), and (8); and

IT FURTHER APPEARING that Respondent committed fraudulent acts when he made material false and misleading statements in the sale of securities and failed to purchase an annuity as promised as set

forth above in violation of N.J.S.A. 17:22A-40a(16) and N.J.A.C. 11:17A-4.10; and

COUNT 2

IT FURTHER APPEARING, on August 6, 2013, Respondent pleaded guilty in an action brought in the Superior Court, Bergen County, bearing docket number BER-13-08-1074-A to criminal Accusation No. 1074 charging him with second degree Theft by Unlawful Taking in violation of N.J.S.A. 2C:20-3a; and

IT FURTHER APPEARING, on November 14, 2013, a Judgment of Conviction and Order of Commitment was entered against Respondent sentencing him to 5 years at the Department of Corrections; and

IT FURTHER APPEARING that the Superior Court action was related to the same conduct of Respondent as described above in Count 1; and

IT FURTHER APPEARING that on August 6, 2013, Respondent entered into a Consent Judgment in favor of HRH and MLH in the amount of \$1,354,496.44; and

IT FURTHER APPEARING that, on November 20, 2013, an Order of Suspension was entered by the Honorable Edward A. Jerejian, J.S.C. against Respondent ordering that Respondent's New Jersey insurance producer license be suspended for a period of five years and that the Order did not prevent the New Jersey Department of Banking and Insurance from taking any other action permitted by law against the Respondent; and

IT FURTHER APPEARING that Respondent's criminal conviction for Theft by Unlawful Taking in the Second Degree constitutes a violation of N.J.S.A. 17:22A-40a(6); and

NOW, THEREFORE, IT IS on this 3rd day of March, 2017,

ORDERED that Respondent shall appear and show cause why his insurance producer license 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 Respondent appear and show cause why the Commission should not assess fines 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 his failure to comply with New Jersey's insurance laws and regulations; and

IT IS FURTHER ORDERED that Respondent appear and show cause why he should not be subject to additional penalties, including the reimbursement of the costs of investigation and prosecution by the Department of Banking and Insurance and restitution, 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, 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 Respondents 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, New Jersey 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 Carl M. Bornmann 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 W. Hartt
Director of Insurance