

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 Eileen Colon Pellot, )  
Reference No. 9615737. )  
\_\_\_\_\_ )

**FINAL ORDER**

TO: Eileen Colon Pellot  
39 Haring Street,  
Bergenfield, New Jersey 07621

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. E18-78 alleging that Respondent, Eileen Colon Pellot (“Pellet”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32a, until her license expired on February 28, 2018; 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 to -48 (“Producer Act”), and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; 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-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.S.A. 17:22A-40a(18), an insurance producer shall not fail to notify the Commissioner within 30 days of his or her conviction of any crime, indictment or the filing of any formal criminal charges, or the suspension or revocation of any insurance license or authority by a state, other than this State, or the initiation of formal disciplinary proceedings in a state, other than this State, affecting the producer's insurance license; or fail to supply any documentation that the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47b, an insurance producer shall report to the Commissioner within 30 days of the initial pretrial hearing date any criminal prosecution of the producer taken in any jurisdiction; and this report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.1(a), all premium funds shall be held by an insurance producer in a fiduciary capacity and shall not be misappropriated, improperly converted to the insurance producer's own use or illegally withheld; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a, the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license, and may levy a civil penalty, for a violation of the Producer Act; 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; moreover, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of investigation and prosecution; and

WHEREAS, the Commissioner issued Order to Show Cause E18-78 on July 24, 2018, alleging violations of New Jersey insurance laws by Pellot as set forth in the following Counts:

**ALLEGATIONS COMMON TO ALL COUNTS**

IT APPEARING, that at all relevant times, Respondent was employed as an insurance producer at an insurance agency, Strategic Insurance Partners ("SIP"); and

IT FURTHER APPEARING, that on or about April 15, 2013, a customer of SIP, "TC", a construction company based in Essex County, remitted a cash payment in the amount of \$875 to Respondent, with an expectation that Respondent bind accident insurance coverage for TC; and

IT FURTHER APPEARING, that Respondent accepted the cash payment but failed to deliver the cash to SIP and failed to bind insurance coverage for TC; and

IT FURTHER APPEARING, that Respondent issued a fabricated certificate of insurance to TC in order to falsely represent that the insurance coverage was bound; and

IT FURTHER APPEARING, that on February 2, 2015, TC caused damages to a third party while completing a construction project in Orange, New Jersey; and

IT FURTHER APPEARING, that on February 4, 2015, TC contacted SIP to assist in filing an insurance claim for the damages to the third party; and

IT FURTHER APPEARING, that as a result of an internal investigation, SIP discovered that Respondent never bound coverage for TC despite accepting the cash payment; and

IT FURTHER APPEARING, that when confronted with this discovery, Respondent admitted to SIP that she accepted the cash payment from TC but had failed to deliver the cash to SIP and failed to bind insurance coverage; and

IT FURTHER APPEARING, that on February 4, 2015, SIP terminated Respondent's employment at the insurance agency; and

IT FURTHER APPEARING, that on August 25, 2016, Respondent was indicted by a grand jury sitting in Essex County on one count of theft by unlawful taking in the third degree, in violation of N.J.S.A. 2C:20-3a, and three counts of forgery in the fourth degree, in violation of N.J.S.A. 2C:21-1(a)(2) and (3); and

IT FURTHER APPEARING, that on December 2, 2016, Respondent was enrolled into the Pre-Trial Intervention program; and

#### COUNT 1

IT FURTHER APPEARING, that Respondent withheld and misappropriated an insurance premium payment, in violation of N.J.S.A. 17:22A-40a(2), (4), (8), and (16), and N.J.A.C. 11:17C-2.1(a); and

#### COUNT 2

IT FURTHER APPEARING that, Respondent issued and presented a fabricated certificate of insurance to an insured in order to falsely represent that the insurance coverage was bound, in violation of N.J.S.A. 17:22A-40a(2), (8), and (16); and

COUNT 3

IT FURTHER APPEARING, that Respondent failed to report to the Commissioner within 30 days that she had been indicted, in violation of N.J.S.A. 17:22A-40a(18) and N.J.S.A. 17:22A-47b; and

IT FURTHER APPEARING, that as set forth in the certification of service of Garen Gazaryan, Deputy Attorney General, attached hereto as Exhibit "A," Pellet was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to Order to Show Cause E18-78, which was duly served on Pellet by certified and regular mail to the address listed on this Final Order in accordance with N.J.A.C. 11:17D-2.1(a)3; and

IT FURTHER APPEARING, that Pellet failed to provide written responses to the charges contained in Order to Show Cause E18-78 within 20 days as provided by N.J.A.C. 11:17D-2.1(d)1, and therefore Pellet has waived her right to a hearing to contest these charges and the charges are deemed admitted, pursuant to N.J.A.C. 11:17D-2.1(b)1;

NOW, THEREFORE, IT IS on this *24th* day of *December*, 2018;

ORDERED, that the charges contained in Counts One, Two and Three of Order to Show Cause E18-78 are deemed admitted by Pellet, 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 resident insurance producer license of Pellet is hereby **REVOKED** effective upon the date of this Final Order; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c, Pellet shall pay a civil penalty in the total amount of \$16,000.00 to the Commissioner, as follows: for the violations stated in Count 1 of the OTSC - \$5,000.00, for the violations stated in Count 2 of the OTSC - \$10,000.00, for the violations stated in Count 3 of the OTSC - \$1,000.00; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c, Respondent shall be responsible for the reimbursement to the Department of the costs of investigation totaling \$800.00. A true and exact copy of the Certification of Jared Stewart, Department of Banking and Insurance Investigator, is attached hereto as Exhibit "B"; and

IT IS FURTHER ORDERED, that Respondent shall pay the above penalties and costs to the Commissioner of Banking and Insurance, State of New Jersey, 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 days from the date of service of this Order; and

IT IS FURTHER ORDERED, that in the event full payment of the penalty and costs 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 to -12; and

IT IS FURTHER ORDERED, that the civil penalty in this Final Order is 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 is not intended to constitute a debt 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. E18-78 as to Respondent Eileen Colon Pellot.

  
Marlene Caride  
Commissioner

# **EXHIBIT A**

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Petitioner  
Richard J. Hughes Justice Complex  
25 Market Street  
P. O. Box 117  
Trenton, New Jersey 08625  
Attorney for the Department

By: Garen Gazaryan  
Deputy Attorney General  
NJ Attorney ID No. 070262013  
(609)376-2965  
[Garen.Gazaryan@law.njoag.gov](mailto:Garen.Gazaryan@law.njoag.gov)

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Proceedings by the Commissioner of Banking )  
and Insurance, State of New Jersey, to fine, )  
suspend, and/or revoke the insurance producer )  
license of Eileen Colon Pellot, )  
Reference No. 9615737 )  
\_\_\_\_\_)

CERTIFICATION OF  
GAREN GAZARYAN

I, Garen Gazaryan, 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 New Jersey Department of Banking and Insurance (“Department”) in the above matter. I submit this certification in support of the Department’s request that a Final Order be entered against Respondent, Eileen Colon Pellot (“Pellot”), and specifically to establish that proper service of Order to Show Cause No. E18-78 was made upon Pellot.

2. The Commissioner issued Order to Show Cause No. E18-78 (“Order to Show Cause”) on July 24, 2018.

3. By letter dated July 30, 2018, my office served a copy of the Order to Show Cause on Pellot via regular and certified mail, return receipt requested, at the following



residential and business address for Pellot on file with the Department: 39 Haring Street, Bergenfield, New Jersey 07621. (Attached as Exhibit 1 is a true and correct copy of the July 30, 2018 cover letter).

4. Pellot received the certified mail on August 4, 2018. (Attached as Exhibit 2 is a copy of the Certified Mail return receipt signed by Pellot).

5. The regular mail sent on July 30, 2018 was not returned to this office.

6. Pursuant to N.J.A.C. 11:17D-2.1(a), Pellot was lawfully served with the Order to Show Cause on July 30, 2018.

7. Pellot has not filed or otherwise provided an Answer to the Order to Show Cause within 20 days provided by N.J.A.C. 11:17D-2.1(d)1. To date, Pellot has not filed an answer nor requested a hearing to contest the allegations set forth in Order to Show Cause No. E18-78.

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.



Garen Gazaryan

Dated: 12/14/2018

# Exhibit 1



PHILIP D. MURPHY  
Governor

SHEILA Y. OLIVER  
Lt. Governor

*State of New Jersey*  
OFFICE OF THE ATTORNEY GENERAL  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF LAW  
25 MARKET STREET  
PO Box 117  
TRENTON, NJ 08625-0117

GURBIR S. GREWAL  
Attorney General

MICHELLE L. MILLER  
Director

July 30, 2018

VIA CERTIFIED AND REGULAR MAIL

Eileen Colon Pellot  
39 Haring Street,  
Bergenfield, New Jersey 07621

Re: Proceedings by the Commissioner of Banking and Insurance, State of New Jersey, to fine, and revoke and suspend the insurance producer licenses of Eileen Colon Pellot, Reference No. 9615737

OTSC No. E18-78

Dear Mrs. Pellot:

I represent the New Jersey Department of Banking and Insurance ("Department"). Enclosed, please find Order to Show Cause No. E18-78 issued by the Commissioner of the Department on July 24, 2018. The Order to Show Cause charges you with various violations of the insurance laws of the State of New Jersey, and orders you to appear and show cause as to why the producer license should not be suspended or revoked, and why other administrative fines and costs should not be imposed against you.

You have the right to request an administrative hearing in regard to these allegations. Complete instructions on how to request a hearing are contained within the enclosed Order to Show Cause.

Briefly here, a request for hearing must provide a specific statement responding to each charge alleged in the Order to Show Cause, specifically admit or deny each fact alleged in the Order to Show Cause, identify any facts of which you have no specific



July 31, 2018

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knowledge, and identify any defenses intended to be asserted in response to each charge. N.J.A.C. 11:17D-2.1(d). The request for hearing must be received by the Department within twenty (20) days of service of the Order to Show Cause upon you. The request for hearing should be sent to: Virgil Downtin, Chief of Investigations, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625; or, faxed to Mr. Downtin's attention at (609) 292-5337. A copy of the request for a hearing shall also be sent to my office at P.O. Box 117, Trenton, New Jersey 08625. If you fail to respond to this Order to Show Cause within the time provided, a Final Order will be issued by the Commissioner..

Thank you for your attention to this matter.

Sincerely yours,

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY

By: /s/ Garen Gazaryan  
Garen Gazaryan  
Deputy Attorney General

Enclosure

cc: Gale Simon, Assistant Commissioner (w/encl)  
Virgil Downtin, Chief of Investigations (w/encl)  
Al Verdel, Supervisor of Investigations (w/encl)  
Gina Toscano, Investigator (w/encl)  
Jared Stewart, Investigator (w/encl)  
Nicholas Kant, DAG, Assistant Section Chief (w/encl)

# Exhibit 2

**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:

**Eileen Colon Pellet  
39 Haring Street,  
Bergenfield, NJ 07621**



9590 9402 3124 7166 0546 09

2. Article Number (Transfer from service label)

7014 0510 0000 9097 5183

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Adult Signature  Agent  
*Eileen Pellet*  Addressee

B. Received by (Printed Name) *Eileen Pellet* C. Date of Delivery *8-4-18*

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

3. Service Type
- Adult Signature
  - Adult Signature Restricted Delivery
  - Certified Mail®
  - 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**

**GURBIR S. GREWAL**  
**ATTORNEY GENERAL OF NEW JERSEY**  
Attorney for Petitioner  
Richard J. Hughes Justice Complex  
25 Market Street  
P. O. Box 117  
Trenton, New Jersey 08625  
Attorney for the Department

By: **Garen Gazaryan**  
Deputy Attorney General  
NJ Attorney ID No. 070262013  
(609)376-2965  
Garen.Gazaryan@law.njoag.gov

\_\_\_\_\_  
Proceedings by the Commissioner of Banking )  
and Insurance, State of New Jersey, to fine, )  
suspend, and/or revoke the insurance producer )  
license of Eileen Colon Pellet, )  
Reference No. 9615737 )  
\_\_\_\_\_ )

**CERTIFICATION OF  
JARED C. STEWART**

I, Jared C. Stewart, 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 employed by the New Jersey Department of Banking and Insurance ("Department"), Enforcement Unit, and hold the title of Investigator.

2. This certification is submitted in support of the Department's application for reimbursement of its costs of investigation and prosecution of this matter, in accordance with N.J.S.A. 17:22A-45c.

3. On January 9, 2017, I was assigned responsibility for determining whether Respondent Eileen Colon Pellet may have violated provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48.




4. To determine the amount of time that I spent on the investigation and prosecution of the referenced licensed producer, I reviewed the files relative to this matter, including time records. On the basis of this review I have prepared the schedule of costs attached hereto as Exhibit "A."

5. As this schedule reflects, I spent a total of 16 hours on the investigation and prosecution of this matter.

6. Under N.J.A.C. 11:1-32.4(b)(20), costs to the Department for the investigation and prosecution of violations of the Producer Act are reimbursable at the rate of \$50.00 per hour, rounded to the nearest quarter hour.

7. I therefore request that the Department's costs of investigation and prosecution be reimbursed in the amount of \$800.00.

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.

  
\_\_\_\_\_  
Jared C. Stewart

Dated: 12/14/18