

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)	
Philip Albert McClendon, Reference No.)	CONSENT
1539869, and Citizens General Insurance)	ORDER
Brokers, Inc., Reference No. 1540542)	

TO: Philip Albert McClendon
11016 Lovas Court
Grass Valley, CA 95945

Citizens General Insurance Brokers, Inc.
11601 Blocker Drive, Suite 220
Auburn, CA 95603

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Citizens General Insurance Brokers, Inc. (“Citizens General”), currently licensed as a nonresident business entity insurance producer, pursuant to N.J.S.A. 17:22A-34a, and its designated responsible licensed producer, Philip Albert McClendon (“McClendon”), currently licensed as a nonresident individual insurance producer, pursuant to N.J.S.A. 17:22A-34a, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Citizens General and McClendon (collectively “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. (the “Producer Act”), and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17B-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(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.A.C. 11:17B-3.1(b), any insurance producer charging a fee to an insured or prospective insured shall first obtain from the insured or prospective insured a written agreement, which shall be separate and apart from all other agreements and applications, and shall contain specified provisions and no other provisions; and

WHEREAS, from on or about January 1, 2010 through December 31, 2015, Respondents charged fees to sixty-four (64) New Jersey resident individuals and businesses for a total of eighty-one (81) applications for commercial liability insurance issued through Respondents without obtaining the required written agreement, in violation of N.J.S.A. 17:22A-40a(2) and (8) and N.J.A.C. 11:17B-3.1(b); and

WHEREAS, the Respondents:

- 1) Have admitted responsibility for the aforementioned violations; and
- 2) Have cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance ("Department"); and
- 3) Have asserted that the violations cited in this Consent Order were not willful; and

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

WHEREAS, Respondents have waived their right to a hearing on the aforementioned violations and have consented to the payment of a fine in the amount of \$5,000.00; and

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

NOW, THEREFORE, IT IS on this 9th day of March, 2018

ORDERED AND AGREED, that the Respondents shall pay a fine in the amount of \$5,000.00 to the Department; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," which shall be paid upon execution of this Consent Order by the Respondents; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the payment of \$5,000.00 shall be remitted to:

New Jersey Department of Banking and Insurance
ATTN: Virgil Dowtin, Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement
P O Box 329
Trenton, New Jersey 08625-0329

and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED that the Respondents shall cease and desist from engaging in the conduct that gave rise to this Consent Order.



Peter L. Hart
Director of Insurance

Consented to as to
Form, Content and Entry

Citizens General Insurance Brokers, Inc.

By: 

Philip Albert McClendon, Designated Responsible Licensed Producer

Date: 2/20/2018



Philip Albert McClendon

Date: 2/20/2018