

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) CONSENT
the insurance license of Gary J. Basralian,) ORDER
Reference No. 8044301)

TO: Gary J. Basralian
296 Short Hills Ave.
Springfield, New Jersey 07081

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Gary J. Basralian (“Respondent”), formerly licensed as a resident insurance producer, pursuant to N.J.S.A. 17:22A-32a, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent is subject to the provisions of New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 (the “Producer Act”); 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-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 been 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 laws, regulations, subpoenas or orders of the Commissioner or of another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(16), an insurance producer shall not commit a 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 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 producers insurance license; shall obtain the written consent pursuant to sections 1033 and 1034 of Title 18, United States Code (18 U.S.C. ss. 1033 and 1034); and shall supply any documents that the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(19), a producer shall not fail to notify the Commissioner within 30 days of the final disposition of any formal disciplinary proceedings initiated against the insurance producer, or disciplinary action taken against the producer, by the Financial Industry Regulatory Authority ("FINRA"), any successor organization, or other similar non-governmental regulatory authority with statutory authority to create and enforce industry standards of conduct, or of any other administrative actions or criminal prosecutions, as required by sections 15 and 22 of the Producer Act (N.J.S.A. 17:22A-40a and 17:22A-47), or fail to supply any documentation the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(a), an insurance producer shall report to the Commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this State within 30 days of the final disposition of the matter and the report shall include a copy of the order, consent order or other relevant legal documents; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(b), within 30 days of the initial pretrial hearing date, an insurance producer shall report to the Commissioner any criminal prosecution of the producer taken in any jurisdiction and the 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.S.A. 17:22A-47c, an insurance producer shall report to the Commissioner any disciplinary action taken against the insurance producer, or any formal disciplinary proceedings initiated against the producer, by FINRA, any successor organization, or other similar non-governmental regulatory authority with statutory authority to create and enforce industry standards of conduct, within 30 days of the final disposition of the matter; and this report shall include a copy of the order, consent order or other relevant legal documents; and

WHEREAS, Respondent was licensed as a resident insurance producer until his license expired on July 31, 2018; and

WHEREAS, Respondent submitted to FINRA a Letter of Acceptance, Waiver and Consent effective March 16, 2018 which resulted the Respondent's permanent bar from associating with any FINRA member in any capacity; and

WHEREAS, on or about May 21, 2018, a criminal complaint and an arrest warrant was issued against the Respondent by the United District Court, District of New Jersey, on charges of two counts of "Wire Fraud" and one count of "Investment Advisor Fraud" based on his

misappropriation of funds from investment clients from July 2007 to November 2017 which were supposed to be invested in brokerage accounts, real estate and high interest loans; and

WHEREAS, on or about May 22, 2018, the New Jersey Bureau of Securities ("BOS") revoked the Respondent's agent and investment advisor representative registration as a result of the aforementioned FINRA activity; and

WHEREAS, on September 10, 2019, Respondent was convicted of wire fraud and investment advisor fraud and sentenced to 70 months incarceration and restitution of \$3.7 million; and

WHEREAS, Respondent failed to report to the New Jersey Department of Banking and Insurance ("Department") the aforementioned activity concerning the FINRA bar, the revocation by the BOS and the criminal complaint and arrest warrant within 30 days, in violation of N.J.S.A. 17:22A-40a(2), (18) and (19) and N.J.S.A. 17:22A-47a, b and c; and

WHEREAS, Respondent's misappropriation of investment client funds violates N.J.S.A. 17:22A-40a(2); and

WHEREAS, the Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the investigation conducted by the Department; and

WHEREAS, cause does exist under N.J.S.A. 17:22A-40a to revoke Respondent's expired license; and

WHEREAS, Respondent waives his right to a hearing on the aforementioned violations and consents to the revocation of his expired insurance producer license;

NOW, THEREFORE, IT IS on this 16th day of December, 2019

IT IS ORDERED AND AGREED, that Respondent's insurance producer license, Reference Number 8044301, is revoked pursuant to N.J.S.A. 17:22A-40a, and said license shall immediately be returned to the Department upon execution of this Consent Order by Respondent; and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order and license shall be remitted to:

New Jersey Department of Banking and Insurance
Attention: Virgil Downtin, Chief of Investigations
20 West State Street
9th Floor, Consumer Protection Services, Enforcement
P.O. Box 329
Trenton, New Jersey 08625-0329

and

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.A.C. 11:17D-2.7, the Respondent is barred from reapplying for an insurance producer license for a period of five years from the date of the Commissioner's issuance of this Consent Order; 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.



Marlene Caride
Commissioner

Consented to as to
Form, Content and Entry:

By: _____

Gary J. Basralian

Date: _____

11/21/2019