

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 Jose Taveras, Reference
No. 1016922

CONSENT ORDER

TO: Jose Taveras
~~c/o M. Paige Berry, Esq.~~
Saul Ewing Arnstein & Lehr LLP
650 College Road East, Suite 4000
Princeton, NJ 08540

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. E18-90 (“Order to Show Cause”) alleging that Jose Taveras (“Respondent”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Taveras is licensed as a resident producer pursuant to N.J.S.A. 17:22A-32a; 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”), the Producer Licensing regulations, N.J.A.C. 11:17-1.1 to -2.17, the regulations governing Insurance Producer

Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8, and the Persons Employed in the Business of Insurance regulations, N.J.A.C. 11:17E-1.1 to-1.7; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(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-40(a)(8), an insurance producer shall not use fraudulent, coercive, or dishonest business 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-42(a), the agency contract shall contain the duties, responsibilities, and limitations of authority between the agent and the appointing insurer, and the agent shall abide by its terms; 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.S.A. 17:22A-40(a), 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-45(c), 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, on September 6, 2018, the Commissioner issued the Order to Show Cause alleging violations of the Producer Act by Respondent as set forth in the following count:

COUNT 1

IT APPEARING, that American Reliable Insurance Company ("ARIC") and US Specialty Insurance Company ("USSIC") are insurance companies organized in the State of Arizona and in the State of Texas, respectively; and

IT FURTHER APPEARING, that Surety Corporation of America ("SCA") is a managing general agent, licensed to conduct the business of insurance in the State of New Jersey and a surety company organized in the State of Florida; and

IT FURTHER APPEARING, that at all relevant times, Taveras was a party to bail bond agency contracts with ARIC, USSIC, and SCA, whereby SCA acted as a managing general agent for bail bonds solicited and executed in ARIC or USSIC's name by Taveras within the State of New Jersey; and

IT FURTHER APPEARING, that on November 21, 2014, an Order of Judgment was entered against Taveras and in favor of SCA in the amount of \$874,692.22 by the Superior Court of New Jersey, Law Division, Middlesex County. (A true copy of the Order of Judgment is attached hereto as Exhibit A); and

IT FURTHER APPEARING, that on July 21, 2006, Taveras entered into a Bail Bond Agent Contract as an Agent Indemnitor with ARIC and SCA; and

IT FURTHER APPEARING, that Taveras was required to remit and pay premiums to SCA, among other costs, within seven days of execution of each bail bond, at the rate of fifteen percent of the total amount of premium charged for each bond or \$15.00 per bond, whichever was greater, pursuant to the Bail Bond Agency Contract; and

IT FURTHER APPEARING, that on October 25, 2010, Taveras entered into a Bail Bond Liable Agent Contract as an Indemnitor with USSIC and SCA; and

IT FURTHER APPEARING, that Taveras was required to remit and pay premiums to SCA, among other costs, within seven days of execution of each bail bond at an amount equal to twelve and one-half percent of the total premium charged of each bond or \$12.50 per bond, whichever was greater; and

IT FURTHER APPEARING, that in an Affidavit/Confession of Judgment signed by Taveras on September 30, 2014, Taveras admitted that he failed to remit bail bond premiums due to SCA in the amount of \$799,297.71, and that he failed to fully indemnify SCA for its payment of his bail bond forfeiture judgments in the amount of \$75,394.51. (A true copy of the Affidavit/Confession is attached hereto as Exhibit B); and

IT FURTHER APPEARING, that Tavares failed to remit bail bond premiums due to SCA in the amount of \$799,297.71 pursuant to the Bail Bond Agent Contract with ARIC and SCA, and the Bail Bond Liable Agent Contract with USSIC and SCA (collectively "Bail Bond Agency Contracts"), the Affidavit/Confession of Judgment, and Order of Judgment in violation of N.J.S.A. 17:22A-42a, N.J.S.A. 17:22A-40a(2), (8), (16) and N.J.A.C. 11:17A-4.10; and

IT FURTHER APPEARING, that Taveras failed to remit and pay SCA the amount of \$75,394.51 in forfeited judgments entered against him, pursuant to the Bail Bond Agency Contracts, the Affidavit/Confession of Judgment, and Order of Judgment in violation of ~~N.J.S.A. 17:22A-42a, N.J.S.A. 17:22A-40a(2), (8), (16) and N.J.A.C. 11:17A-4.10; and~~

IT FURTHER APPEARING, that Taveras has failed to satisfy the Order of Judgment entered against him in violation of N.J.S.A. 17:22A-42a, N.J.S.A. 17:22A-40a(2), (8) (16) and N.J.A.C. 11:17A-4.10; and

WHEREAS, Respondent acknowledges and agrees to take responsibility for the violations contained in the Order to Show Cause; and

WHEREAS, Respondent waives his right to a hearing on the above violations and consents to the revocation of his insurance producer license and the payment of a \$5,000.00 civil penalty; and

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

WHEREAS, good cause exists to enter into this Consent Order and to revoke Respondent's producer license pursuant to N.J.S.A. 17:22A-40(a); and

NOW, THEREFORE, IT IS on this 12th day of June 2019,

ORDERED AND AGREED, that Respondent acknowledges and agrees to take responsibility for the aforementioned violations of the Producer Act, as described in the Order to Show Cause; and

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.S.A. 17:22A-40, the New Jersey insurance producer license of Respondent is hereby REVOKED; and

IT IS FURTHER ORDERED AND AGREED that this signed Consent Order together with the payment of \$5,000.00, by certified check, cashier's check, or money order made payable to the "State of New Jersey, General Treasury," shall be remitted to:

Brian R. Fitzgerald, Deputy Attorney General
State of New Jersey, Division of Law
R.J. Hughes Justice Complex
~~25 Market Street, Second Floor West Wing~~
P.O. Box 117
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute final resolution of the violations contained in the Order to Show Cause and this Consent Order.



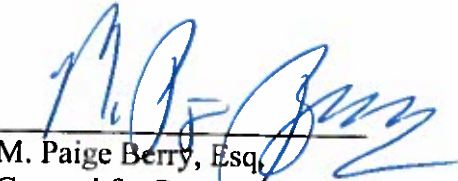
Marlene Caride
Commissioner

Consented to as to Form, Content and Entry:

Date: 04/30/19



Jose Taveras, Respondent

Date: 5/6/19


M. Paige Berry, Esq.
Counsel for Respondent

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the New Jersey
Department of Banking and Insurance

Date: 5/8/19


By: Brian R. Fitzgerald
Deputy Attorney General