

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 license of)
Gregory Adamo, Reference No. 1062351.)
_____)

ORDER TO SHOW CAUSE

TO: Gregory Adamo
17 Blackwell Avenue
Morristown, NJ 07960

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Gregory Adamo (“Respondent”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was formerly licensed as a resident individual insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-34(a), until February 12, 2020, when he voluntarily surrendered his license; 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

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(1), an insurance producer shall not provide incorrect, misleading, incomplete or materially untrue information in an application for a producer license; 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)(3), an insurance producer shall not obtain or attempt to obtain a producer license through misrepresentation or fraud; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(15), an insurance producer shall not intentionally withhold material information or make a material misstatement in an application for a producer license; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(18), an insurance producer shall 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 New Jersey; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(19) and N.J.S.A. 17:22A-47(c), an insurance producer shall notify the Commissioner within 30 days of the final disposition of any disciplinary action taken against the producer by the Financial Industry Regulatory Authority ("FINRA"); and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(b), an insurance producer shall, within 30 days of the initial pretrial hearing date, report to the Commissioner any criminal prosecution of the producer taken in any jurisdiction. 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-40(d), 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 of 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-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense; additionally, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

FACTUAL ALLEGATIONS

IT APPEARING, that beginning on February 8, 2006, Respondent was a licensed resident insurance producer in the state of New Jersey; and

IT FURTHER APPEARING, that on January 5, 2018, Respondent was charged by information in the United States District Court, Southern District of New York ("SDNY"), with one count of conspiracy to commit wire fraud, one count of wire fraud, and one count of aggravated identity theft ("NY Information"); and

IT FURTHER APPEARING, Respondent failed to notify the Department of the NY Information within 30 days; and

IT FURTHER APPEARING, that on January 22, 2018, Respondent answered “No” to the questions in the license renewal application which asked if he was currently charged with commission of a misdemeanor or felony, which had not previously been reported to the Department; and

IT FURTHER APPEARING, FINRA sent Respondent a Notice of Suspension on July 17, 2018; and

IT FURTHER APPEARING, Respondent did not notify the Department of the FINRA Notice of Suspension; and

IT FURTHER APPEARING, on October 22, 2018, FINRA permanently barred the Respondent for failure to request termination of his suspension within three months; and

IT FURTHER APPEARING, that Respondent did not notify the Department of his being permanently barred by FINRA; and

IT FURTHER APPEARING, that on September 12, 2019, Respondent pled guilty to, and was convicted of one count of conspiracy to commit wire fraud, one count of wire fraud, and one count of aggravated identity theft in the SDNY (“SDNY Convictions”); and

IT FURTHER APPEARING, that Respondent failed to notify the Department of the SDNY Convictions; and

IT FURTHER APPEARING, that on December 17, 2019, the New Jersey Bureau of Securities issued a Summary Bar Order against Respondent for the aforementioned conduct (“BOS Order”); and

IT FURTHER APPEARING, that Respondent failed to notify the Department of the BOS Order; and

IT FURTHER APPEARING, that on February 11, 2020, Respondent voluntarily surrendered his producer license to the Department; and

COUNT ONE

IT FURTHER APPEARING, that Respondent failed to notify the Department of the NY Information, the SDNY Convictions, the BOS Order, and the FINRA suspension and permanent bar, in violation of N.J.S.A. 17:22A-40(a)(2), (15), (18), (19) and N.J.S.A. 17:22A-47(b) and (c); and

COUNT TWO

IT FURTHER APPEARING, that Respondent provided incorrect information on his January 22, 2018 producer license renewal application, in violation of N.J.S.A. 17:22A-40(a)(1), (2), (3), (18), and (19); and

NOW, THEREFORE, IT IS on this 20th day of June, 2022

ORDERED, that Respondent appear and show cause why his New Jersey insurance producer license should not be suspended or revoked pursuant to N.J.S.A. 17:22A-40(a); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and of up to \$10,000.00 for each subsequent violation of the Producer Act, and order Respondent to pay restitution of moneys owed to any person, pursuant to the provisions of N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why he should not be required to reimburse the Department for the cost of the investigation and prosecution, as authorized pursuant to N.J.S.A. 17:22A-45(c); and

IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at his own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas 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 Respondent, 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 hearing request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General Ashleigh B. Shelton at: Division of Law, P.O. Box 117, Trenton, NJ 08625. The request shall contain the following:

- (a) Respondent's full 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 Respondent has no specific knowledge regarding a fact alleged in the 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 the hearing.



Marlene Caride
Commissioner