

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 public adjuster)
licenses of Donte Sterling, Reference No.)
1491037, and Silverline Adjustment Inc.,)
Reference No. 1491038.)

ORDER TO SHOW CAUSE

TO: Donte Sterling
1354 Jerome Street
Philadelphia, PA 19140

Silverline Adjustment, Inc.
5020 Arch Street, Suite 1
Philadelphia, PA 19140

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Donte Sterling (“Sterling”) and Silverline Adjustment Inc. (“Silverline Inc.”), a New Jersey corporation (collectively, “Respondents”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Sterling is currently licensed as a public adjuster pursuant to N.J.S.A. 17:22B-5; and

WHEREAS, Silverline Inc.’s public adjuster license expired on May 31, 2019; and

WHEREAS, Respondents are subject to the provisions of the New Jersey Public Adjusters’ Licensing Act, N.J.S.A. 17:22B-1 to -20 (“Public Adjusters’ Act”) and the regulations governing the licensing of public adjusters, N.J.A.C. 11:1-37.1 to -37.19; and

WHEREAS, pursuant to N.J.S.A. 17:22B-14(a)(1), and N.J.A.C. 11:1-37.14(a)(1) and (2), a public adjuster shall not violate any provision of the insurance laws, including any rules promulgated by the Commissioner, or violate any law in the course of his or its dealings as an adjuster; and

WHEREAS, pursuant to N.J.S.A. 17:22B-13(c), and N.J.A.C. 11:1-37.13(a) and (b)(3), no individual, firm, partnership, association or corporation licensed as a public adjuster shall have any right to compensation from any insured for or on account of services rendered to an insured as a public adjuster unless the right to compensation is based upon a written contract or memorandum between the adjuster and the insured and specifying or clearly defining the services to be rendered and the amount or extent of the compensation; and

WHEREAS, pursuant to N.J.S.A. 17:22B-13(c) and N.J.A.C. 11:1-37.13(b)(3)(ii), the written memorandum or contract between a licensed public adjuster and an insured shall contain a list of services to be rendered and the maximum fees to be charged, which fees shall be reasonably related to services rendered; and

WHEREAS, pursuant to N.J.S.A. 17:22B-13(c) and N.J.A.C. 11:1-37.13(b)(5), the written memorandum or contract between a licensed public adjuster and an insured shall prominently include a section which specifies: (i) the procedures to be followed by the insured if or she he seeks to cancel the contract, including any requirement for a written notice; (ii) the rights and obligations of the parties if the contract is cancelled at any time; and (iii) the costs to the insured or the formula for the calculation of costs to the insured for services rendered in whole or in part; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.10(a), licensed public adjusters shall file with the License Processing Unit of the Department of Banking and Insurance (“Department”):

(1) complete and accurate business and home addresses including e-mail addresses, and notice of any change thereto within 20 days; (2) upon a form prescribed by the Commissioner, notice of the opening or closing of any office in this State within 20 days of the action; (3) notice of change of business name within 20 days; and (4) notice of change in ownership of a company or of the officers, directors, partners, or sub licensees within 20 days; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.14(a)(4), the Commissioner may suspend or revoke the license of a public adjuster if the licensee demonstrated the licensee's lack of integrity, incompetency, bad faith, dishonesty, financial irresponsibility, or untrustworthiness to act as a public adjuster; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.14(a)(11), the Commissioner may suspend or revoke the license of a public adjuster if the licensee failed to cooperate with an investigation by the Commissioner of the activities of the person; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.14(a)(17), the Commissioner may suspend or revoke the license of a public adjuster if the licensee has committed any other act, or omission which the Commissioner determines to be inappropriate conduct by a licensee of this State; and

WHEREAS, pursuant to N.J.A.C. 11:1-12.2(a), active officers shall be held individually responsible for all insurance related conduct of the corporate licensee; and

WHEREAS, pursuant to N.J.S.A. 17:22B-17 and N.J.A.C. 11:1-37.14(b), any person violating any provision of the Public Adjusters' Act shall, in addition to any other sanctions provided by law, be liable for a civil penalty of not more than \$2,500 for the first offense and not more than \$5,000 for the second and each subsequent offense; and

FACTUAL ALLEGATIONS

IT APPEARING, that Sterling became a licensed public adjuster in the State of New Jersey under the name Donte Sterling d/b/a Silverline Adjustment on or about November 8, 2012; and

IT APPEARING, that Silverline Inc. became a licensed public adjuster in the State of New Jersey on or about November 8, 2012; and

IT APPEARING, that at all relevant times Sterling was the owner and the designated responsible licensed public adjuster (“DRLP”) for Silverline Inc.; and

IT FURTHER APPEARING, that on or about March 6, 2016, Silverline Inc. entered into a contract with A.W. on Silverline Inc.’s letterhead (the “Contract”) for public adjuster’s services to advise and assist in the adjustment of an insurance claim for property water damage which occurred at the insured’s property located in Willingboro, New Jersey; and

IT FURTHER APPEARING, that the Contract provides that Respondents receive thirty-five percent of any insurance settlement reached; and

IT FURTHER APPEARING, that the Contract utilized by Respondents did not comply with the Public Adjusters’ Act because the Contract failed to specifically or clearly define or list the services to be rendered; and

IT FURTHER APPEARING, that A.W. signed the Contract on March 3, 2016 at 9:32 p.m.; and

IT FURTHER APPEARING, that the Contract used language that addressed the procedures for cancellation only within three business days of execution; and

IT FURTHER APPEARING, that the Contract improperly implies that cancellation is only permitted during the three business days window; and

IT FURTHER APPEARING, that the Contract does not state that the Contract may be cancelled at any time; and

IT FURTHER APPEARING, that the Contract utilized by Respondents did not comply with the Public Adjusters' Act because the section which specified the procedures to be followed by the insured if he or she sought to cancel the contract, including any requirement for a written notice, was improperly limited to three business days following execution of the Contract; and

IT FURTHER APPEARING, that the Contract utilized by Respondents did not comply with the Public Adjusters' Act because the rights and obligations of the parties upon cancellation was improperly limited to three business days following execution of the Contract; and

IT FURTHER APPEARING, that the Contract utilized by Respondents did not comply with the Public Adjusters' Act because the costs or the formula for determining costs for services rendered in whole or in part if the Contract was cancelled was not provided at all; and

IT FURTHER APPEARING, that the Contract improperly implied that Respondents were entitled to full contingency fee if the Contract was cancelled after the window of three business days; and

IT FURTHER APPEARING, that on or about March 3, 2016, A.W. submitted a claim with the aid of Respondents to the Liberty Mutual Insurance Company ("Liberty") for property water damage (the "Claim"); and

IT FURTHER APPEARING, that on or about February 11, 2019, the Department sent Sterling an email and letter concerning the Claim, via ordinary and certified mail, return receipt requested, to the address on file for Respondents and the letters were returned as "Return

to Sender attempted – not known as addressed unable to forward” and the email was also undeliverable and returned with the message “the following addresses had permanent fatal errors”; and

IT FURTHER APPEARING, Respondents changed their e-mail and business address without notifying the Department; and

IT FURTHER APPEARING, that on or about July 19, 2022, the Department sent Respondents an email requesting information for the Department’s investigation of Respondents and Respondents failed to respond; and

COUNT ONE

IT FURTHER APPEARING, that the Contract Respondents entered into with A.W. failed to specifically or clearly define the services to be rendered and what fees would be charged for the specified services, in violation of N.J.S.A. 17:22B-13(c); N.J.A.C. 11:1-37.13(a); and N.J.A.C. 11:1-37.13(b)(3)(ii); and

IT FURTHER APPEARING, upon information and belief, that Respondents included the above described improper language in other contracts to be determined in discovery, in violation of N.J.S.A. 17:22B-13(c); N.J.A.C. 11:1-37.13(a); and N.J.A.C. 11:1-37.13(b)(3)(ii); and

COUNT TWO

IT FURTHER APPEARING, that the Contract that Respondents entered into with A.W. included a section which specified the procedures to be followed by the insureds if they sought to cancel the contract, including any requirement for a written notice, that was improperly limited to three business days following execution of the Contract; and

IT FURTHER APPEARING, that the Contract that Respondents entered into with A.W. included the rights and obligations of the parties if the contract was cancelled that was improperly limited to three business days following execution of the Contract; and

IT FURTHER APPEARING, that the Contract that Respondents entered into with A.W. failed to include the costs to the insured or the formula for the calculation of the costs for services rendered in whole or in part if the Contract was cancelled; and

IT FURTHER APPEARING, such improper language violated N.J.S.A. 17:22B-14(a)(1); N.J.S.A. 17:22B-14(a)(4); N.J.S.A. 17:22B-13(c); N.J.A.C. 11:1-37.13(b)(5)(i); N.J.A.C. 11:1-37.13(b)(5)(ii); N.J.A.C. 11:1-37.13(b)(5)(iii); N.J.A.C. 11:1-37.14(a); N.J.A.C. 11:1-37.14(a)(1); N.J.A.C. 11:1-37.14(a)(2); N.J.A.C. 11:1-37.14(a)(4); and N.J.A.C. 11:1-37.14(a)(17); and

IT FURTHER APPEARING, upon information and belief, that Respondents included the above described improper cancellation language in other contracts to be determined in discovery, in violation of N.J.S.A. 17:22B-14(a)(1); N.J.S.A. 17:22B-14(a)(4); N.J.S.A. 17:22B-13(c); N.J.A.C. 11:1-37.13(b)(5)(i); N.J.A.C. 11:1-37.13(b)(5)(ii); N.J.A.C. 11:1-37.13(b)(5)(iii); N.J.A.C. 11:1-37.14(a); N.J.A.C. 11:1-37.14(a)(1); N.J.A.C. 11:1-37.14(a)(2); N.J.A.C. 11:1-37.14(a)(4); and N.J.A.C. 11:1-37.14(a)(17); and

COUNT THREE

IT FURTHER APPEARING, that Respondents did not submit current business and email addresses to the Department, and did not timely notify the Department of the opening or closing of any office in this State in violation of N.J.S.A. 17:22B-14(a)(1); N.J.A.C. 11:1-37.10(a)(1); N.J.A.C. 11:1-37.10(a)(2); N.J.A.C. 11:1-37.14(a)(1); N.J.A.C. 11:1-37.14(a)(2); and N.J.A.C. 11:1-37.14(a)(17); and

COUNT FOUR

IT FURTHER APPEARING, that Respondents did not cooperate with the Department's investigation in violation of N.J.S.A. 17:22B-14(a)(1); N.J.A.C. 11:1-37.14(a)(1); N.J.A.C. 11:1-37.14(a)(2); N.J.A.C. 11:1-37.14(a)(11); and N.J.A.C. 11:1-37.14(a)(17); and

COUNT FIVE

IT FURTHER APPEARING, that Sterling, as Silverline Inc.'s DLRP, owner and/or manager, is responsible for the violations alleged of Silverline Inc. pursuant to N.J.A.C. 11:1-12.2(a); and

NOW, THEREFORE, IT IS on this 29 day of December, 2022:

ORDERED, that Respondents shall appear and show cause why their public adjuster licenses shall not be revoked by the Commissioner pursuant to N.J.S.A. 17:22B-14(a) and N.J.A.C. 11:1-37.14(a); and

IT IS FURTHER ORDERED, that Respondents shall appear and show cause why the Commissioner should not assess a civil penalty of up to \$2,500.00 for the first violation and not exceeding \$5,000.00 for each subsequent violation of the Public Adjusters' Act, pursuant to the provision of N.J.S.A. 17:22B-17; and

IT IS FURTHER ORDERED, that Respondents shall appear and show cause why the Commissioner should not order restitution and reimbursement of the costs of the investigation and prosecution by the Department in accordance with N.J.S.A. 17:22B-17; and

IT IS PROVIDED, that Respondents have the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued and subpoenas duces tecum 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 the Respondents and the Commissioner shall dispose of this matter in accordance with the 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 William E. Vaughan, Banking and Insurance Section, R.J. Hughes Justice Complex, 25 Market Street, P.O. Box 117, Trenton, NJ 08625-0117. 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 the 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 a hearing.



Marlene Caride
Commissioner