

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner)
of Banking and Insurance, State) ORDER
of New Jersey, to fine and) TO
revoke the insurance producer) SHOW
license of Rachelle L. Buck,) CAUSE
Reference No. 1037376.)

TO: Rachelle L. Buck
1435 North Main Street
Williamstown, NJ 08094

This matter, having been opened by Kenneth E. Kobylowski, Commissioner of Banking and Insurance, State of New Jersey ("Commissioner"), upon information that Rachelle L. Buck, currently licensed as a resident individual insurance producer, pursuant to N.J.S.A. 17:22A-32, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Buck is subject to the provisions of the New Jersey Insurance Producer Licensing Act, N.J.S.A. 17:22A-26 et seq. ("Producer Act"); and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance laws or regulations; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(4), an insurance producer shall not improperly withhold, misappropriate, or convert any monies or properties received in the course of doing insurance business; 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; and

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

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING that, at all times relevant hereto, Buck was employed by Deptford Honda Yamaha ("DHY"); and

IT FURTHER APPEARING that one of Buck's primary responsibilities at DHY was transferring insurance premium payments from DHY's trust and operating accounts to the appropriate insurer; and

IT FURTHER APPEARING that Buck had authority to transfer funds from DHY's trust and operating accounts to insurers for DHY related business; and

COUNT 1

IT FURTHER APPEARING that Buck's responsibilities at DHY included assisting customers in obtaining motor vehicle and motorcycle insurance; and

IT FURTHER APPEARING that Buck collected cash insurance premium payments from DHY customers seeking to acquire motor vehicle and motorcycle insurance; and

IF FURTHER APPEARING that DHY's internal policy required that all cash collected from customers be placed directly into DHY's safe; and

IT FURTHER APPEARING that all cash placed into DHY's safe would then be deposited into either DHY's trust or operating account; and

IT FURTHER APPEARING that, once the cash was deposited into DHY's trust account, the insurance premium payment would then be wired from that account to the appropriate insurer; and

IT FURTHER APPEARING that, on ninety-three occasions between April 30, 2010 and August 23, 2013, Buck collected cash insurance premium payments from DHY customers and failed to place

the funds in DHY's safe or deposit them into either of DHY's bank accounts; and

IT FURTHER APPEARING that, on ninety-three occasions between April 30, 2010 and August 23, 2013, Buck misappropriated cash insurance premiums for her own personal use; and

IT FURTHER APPEARING that, in total, Buck misappropriated \$15,883.47 in insurance premiums; and

IT FURTHER APPEARING that, by taking money from insureds on behalf of DHY and failing to deposit it in the agency's trust account, Buck improperly withheld, misappropriated, or converted monies or properties received in the course of doing business, in violation of N.J.S.A. 17:22A-40a(2), (4), (8), and (16); and

COUNT 2

IT FURTHER APPEARING that, each time she misappropriated cash premium payments, Buck wired the exact amount of the stolen funds from DHY's operating account to the appropriate insurer; and

IT FURTHER APPEARING that, on ninety-three separate occasions between April 30, 2010 and August 23, 2013, Buck wired money from DHY's operating account to an insurer in order to procure coverage or make policy payments; and

IT FURTHER APPEARING that, in total, Buck wired \$15,883.47 from DHY's operating account to cover premium payments; and

IT FURTHER APPEARING that, by wiring money from DHY's operating account to insurers in order to avoid detection, Buck used fraudulent, coercive, or dishonest practices, in violation of N.J.S.A. 17:22A-40a(2) and (8); and

COUNT 3

IT FURTHER APPEARING that, in the summer of 2012, Buck procured a Progressive automobile insurance policy, policy no. ending in 999 ("Policy 999"), for her husband's truck; and

IT FURTHER APPEARING that, on eight (8) occasions between August 24, 2012 and August 28, 2013, Buck wired money from DHY's operating account to Progressive to pay the insurance premiums on Policy 999; and

IT FURTHER APPEARING that, in total, Buck wired \$3,152.28 from DHY's operating account to Progressive in connection with Policy 999; and

IT FURTHER APPEARING that Buck did not deposit \$3,152.28 into DHY's operating account; and

IT FURTHER APPEARING that Buck did not have permission or authority from her employer to use DHY funds to pay her personal auto insurance policy premiums; and

IT FURTHER APPEARING that, by misappropriating \$3,152.28 from DHY, Buck used fraudulent, coercive, or dishonest practices, in violation of N.J.S.A. 17:22A-40a(2) and (8); and

COUNT 4

IT FURTHER APPEARING that, in the spring of 2013, Buck's mother procured a Progressive automobile insurance policy, policy no. ending in 927 ("Policy 927"); and

IT FURTHER APPEARING that, on six (6) occasions between March 22, 2013 and September 24, 2013, Buck wired money from DHY's operating account to Progressive to pay the insurance premiums on Policy 927; and

IT FURTHER APPEARING that, in total, Buck wired \$1,594.61 from DHY's operating account to Progressive in connection with Policy 927; and

IT FURTHER APPEARING that Buck did not deposit \$1,594.61 into DHY's operating account; and

IT FURTHER APPEARING that Buck did not have permission or authority from her employer to use DHY funds to pay her mother's personal auto insurance policy premiums; and

IT FURTHER APPEARING that, by misappropriating \$1,594.61 from DHY, Buck used fraudulent, coercive, or dishonest practices, in violation of N.J.S.A. 17:22A-40a(2) and (8); and

NOW, THEREFORE, IT IS on this 17th day of NOVEMBER, 2014

ORDERED that Respondent appear and show cause why the New Jersey insurance producer license issued to her should not be revoked by the Commissioner and why she should not be fined up to \$5,000 for the first offense and not more than \$10,000 for the second and each subsequent offense, pursuant to N.J.S.A. 17:22A-40 and N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED that Respondent appear and show cause why she should not be subject to additional penalties including reimbursement of the costs of investigation and prosecution authorized pursuant to the provisions of N.J.S.A. 17:22a-45c; and

IT IS PROVIDED that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at her 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 the licensee 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. The request shall contain the following:

- (a) The licensee's 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 licensee 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.



PETER L. HARTT
Acting Director of
Insurance