

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner)	
of the Department Banking and)	ORDER
Insurance, State of New Jersey,)	TO
to fine, suspend, and/or revoke)	SHOW
the insurance producer license)	CAUSE
of Jacob Eisenstark, Reference)	
No. 1196653.)	

TO: Jacob Eisenstark
27 Schindler Terrace 3-13
West Orange, NJ 07052-1079

This matter, having been opened to the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Jacob Eisenstark ("Respondent"), formerly licensed as a resident insurance producer, pursuant to N.J.S.A. 17:22A-32, may have violated the insurance laws of the State of New Jersey; 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 et seq. ("Producer Act"); and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), the Commissioner may revoke the license of an insurance producer if the licensee has violated any insurance laws of the State, or violated any regulation, subpoena, or order of the Commissioner or of another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(8), the Commissioner may revoke the license of an insurance producer if the licensee has used fraudulent, coercive, or dishonest practices; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(16), the Commissioner may revoke the license of an insurance producer if the licensee has committed any fraudulent act; and

COUNT 1

IT APPEARING THAT, on or about February 24, 2010, the New Jersey Division of Consumer Affairs, Bureau of Securities ("Bureau of Securities"), filed a five-count complaint (the "Complaint") and Order to Show Cause in Essex County Superior Court, Dkt. No. ESX-C-46-2010, alleging that Respondent and other named defendants committed securities fraud by engaging in acts declared illegal or prohibited by the New Jersey Uniform Securities Law; and

IT FURTHER APPEARING THAT, on or about October 1, 2012, Respondent reached a settlement by Final Judgment and Consent Order with the Bureau of Securities, whereby Respondent was ordered to pay \$940,000, consisting of \$850,000 in consumer restitution and \$90,000 in civil monetary penalties; and

IT FURTHER APPEARING THAT, pursuant to the October 1, 2012 Final Judgment and Consent Order, Respondent admitted that he had defrauded four (4) of his clients and used the misappropriated funds for his personal use; and

IT FURTHER APPEARING THAT, by defrauding his clients and using the misappropriated funds for his personal use, Respondent used fraudulent, coercive, or deceptive practices, in violation of N.J.S.A. 17:22A-40a(2), (8), and (16); and

NOW, THEREFORE, IT IS on this 6th day of August, 2014

ORDERED that Respondent appear and show cause why the New Jersey resident insurance producer license issued to him should not be suspended or revoked by the Commissioner and why he should not be fined up to \$5,000 for the first violation of the Producer Act 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 Respondent appear and show cause why he should not be subject to additional penalties, including

restitution of moneys owed to any person and reimbursement of the costs of investigation and prosecution, pursuant to 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 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 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 the hearing.



PETER L. HARTT
Acting Director of
Insurance