

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 and suspend
or revoke the insurance
producer license of Cynthia
Ann Van Seeters, Reference
No. 1016989.

ORDER TO SHOW CAUSE

TO: Cynthia Ann Van Seeters
33 Sunset Road
Bloomingdale, NJ 07403

THIS MATTER, having been opened by Kenneth E. Kobylovski, Commissioner, New Jersey Department of Banking and Insurance ("Commissioner"), upon information that Cynthia Ann Van Seeters ("Respondent") may have violated various provisions of 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, Respondent was licensed as a resident individual insurance producer, pursuant to N.J.S.A. 17:22A-32, until her license expired on October 31, 2010; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40d, the Commissioner shall retain the authority to enforce the provisions of, and impose any penalty or remedy authorized by, the Producer Act against any person who is under investigation

for, or charged with, a violation of the Producer Act 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-40a(2), an insurance producer shall not violate any insurance law, regulation, subpoena, or order of the Commissioner; 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(6), an insurance producer shall not be convicted of a felony or crime of the fourth degree or higher;

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 the insurance business; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(19), an insurance producer shall not fail to notify the Commissioner within thirty days of the final disposition of any criminal prosecutions, as required by the Producer Act, or fail to supply

any documentation the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47b, an insurance producer shall report to the Commissioner any criminal prosecution of the producer taken in any jurisdiction within thirty days of the initial pretrial hearing date. 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. 11:17A-4.8, an insurance producer shall reply, in writing, to any inquiry of the Department relative to the business of insurance within the time requested in said inquiry, or no later than 15 calendar days from the date the inquiry was made or mailed in cases where no response time is given; and

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING that, at all times relevant hereto, Respondent was licensed a resident insurance producer; and

IT FURTHER APPEARING that, at all times relevant hereto, Respondent was employed at Allen & Allen Insurance ("Allen Insurance"); and

COUNT 1

IT FURTHER APPEARING that, between October 28, 2008 and October 8, 2009, Respondent wrote 14 Allen Insurance checks

to herself or to cash, forged her employer's signature, and converted the money for her own personal use; and

IT FURTHER APPEARING that Respondent misappropriated \$11,990 in connection with these 14 Allen Insurance checks; and

IT FURTHER APPEARING that Respondent was not authorized to write or sign any Allen Insurance company checks; and

IT FURTHER APPEARING that Respondent was not entitled to payment from Allen Insurance for the amounts of the aforementioned checks; and

IT FURTHER APPEARING that, Respondent committed 14 separate acts of theft, forgery, and deception while employed as an insurance producer at Allen Insurance, in violation of N.J.S.A. 17:22A-40a(2), (8), and (16); and

COUNT 2

IT FURTHER APPEARING that Respondent also misappropriated cash premiums from Allen Insurance clients on 38 occasions between November 2008 and October 2009; and

IT FURTHER APPEARING that, on 38 separate occasions, Respondent misappropriated, converted, or withheld monies received in the course of doing insurance business, in violation of N.J.S.A. 17:22A-40a(2), (4), (8), and (16); and

COUNT 3

IT FURTHER APPEARING that, on or about October 27, 2009, Respondent was issued a Complaint and Summons for third degree theft by deception, ordering her to appear before the court on November 11, 2009; and

IT FURTHER APPEARING that, on or about May 24, 2010, Respondent pled guilty to criminal charges of third degree theft by deception in Superior Court of New Jersey, Bergen County; and

IT FURTHER APPEARING that, on or about July 9, 2010, Respondent was sentenced in Superior Court of New Jersey, Bergen County, to five years of probation and ordered to pay restitution to Allen Insurance at a rate of \$200.00 per month; and

IT FURTHER APPEARING that, Respondent failed to report her criminal prosecution to the Commissioner within thirty days of the initial pretrial hearing date, in violation of N.J.S.A. 17:22A-40a(19) and N.J.S.A. 17:22A-47b; and

COUNT 4

IT FURTHER APPEARING that, on or about May 24, 2010, Respondent was convicted of a felony or crime of the fourth degree or higher, in violation of N.J.S.A. 17:22A-40a(2) and (6); and

COUNT 5

IT FURTHER APPEARING that, on or about November 18, 2009, J.A. of Allen Insurance sent a complaint to the Commissioner alleging misconduct by Respondent; and

IT FURTHER APPEARING that, on or about April 15, 2010, the Department sent Respondent a letter addressing the allegations set forth by J.A. in his November 18, 2009 complaint letter; and

IT FURTHER APPEARING that the Department's April 15th letter required Respondent to send a written statement to the Department within 7 calendar days, explaining her position in regards to J.A.'s allegations; and

IT FURTHER APPEARING that, Respondent failed to respond to the Department's letter within the time requested, in violation of N.J.S.A. 17:22a-40a(2) and (8) and N.J.A.C. 11:17A-4.8; and

NOW, THEREFORE, IT IS on this *9th* day of *JUNE*, 2015

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 \$5,000.00 for the first offense and not more than \$10,000.00 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. MARTI
Director of Insurance