

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

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Proceedings by the Commissioner of )  
Banking and Insurance, State of New Jersey, )  
to fine, suspend, and/or revoke the insurance )  
producer licenses of Bienvenido Dominguez, )  
Reference No. 1276728, and Dominguez )  
Agency LLC, Reference No. 1527865. )  
\_\_\_\_\_ )

**ORDER TO SHOW CAUSE**

TO: Bienvenido Dominguez  
5808 Washington Street  
Apt. 303  
West New York, NJ 07093

Dominguez Agency LLC  
7311 Bergenline Avenue  
North Bergen, NJ 07047

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Bienvenido Dominguez (“Dominguez”) and Dominguez Agency LLC (collectively, the “Respondents”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Dominguez was licensed as a resident insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-32a, until his license expired on September 30, 2016; and

WHEREAS, Dominguez Agency LLC was licensed as a business entity insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32b, until its license became inactive on November 1, 2016, pursuant to N.J.A.C. 11:17-2.12(d); and

WHEREAS, the Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26, et seq., (the “Producer Act”), the Producer Licensing regulations, N.J.A.C. 11:17-1.1 et seq. and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 et seq. and N.J.A.C. 11:17C-1.1 et seq.; 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 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 violations of the Producer Act or Title 17 of the Revised Statutes or 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-40a(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-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 in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-32b(2), any business entity acting as an insurance producer is required to designate a licensed insurance producer or producers responsible for the business entity's compliance with the insurance laws, rules, and regulations of the State; and

WHEREAS, pursuant to N.J.A.C. 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

WHEREAS, pursuant to N.J.A.C. 11:17A-4.10, an insurance producer acts in a fiduciary capacity in the conduct of his or her insurance business; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.1(a), all premium funds shall be held by an insurance producer in a fiduciary capacity and shall not be misappropriated, improperly converted to the insurance producer's own use, or illegally withheld by the licensee; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.2(a), all premium funds shall be remitted to the insurer or other insurance producer, as applicable, within five business days after receipt of the funds except as otherwise required or provided by the insurance producer's contract with the insurer, any controlling statute or administrative rule or the rules of the residual market mechanism created by or pursuant to any statute; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person violating any provision of the Producer Act shall be liable to a penalty not exceeding \$5,000 for the first offense and not exceeding \$10,000 for each subsequent offense to be recovered in a summary proceeding in accordance with the "Penalty Enforcement Law of 1999," P.L.1999, c. 274 (C. 2A:58-10 et seq.); moreover, the Commissioner or the court, as the case may be, may order restitution of

monies owed any person and reimbursement of the costs of investigation and prosecution, as appropriate; and

**ALLEGATIONS COMMON TO ALL COUNTS**

IT APPEARING, that Dominguez was the Designated Responsible Licensed Producer (“DRLP”) for the Dominguez Agency LLC, pursuant to N.J.S.A. 17:22A-32b(2); and

IT FURTHER APPEARING, that Dominguez’s producer license expired on September 30, 2016, and that as of November 1, 2016, by operation of N.J.A.C. 11:17-2.12(d), Dominguez Agency LLC was no longer an active insurance producer in this State because it was without a licensed insurance producer as a DRLP; and

IT FURTHER APPEARING, that Dominguez signed an Agent Appointment Agreement with Farmers Insurance Group (“Farmers”) on September 1, 2013; and

IT FURTHER APPEARING, that on or about March 8, 2016, Dominguez collected a premium in the amount of \$1,000.00 from M.R. and failed to remit said premium to Farmers; and

IT FURTHER APPEARING, that on or about March 25, 2016, Dominguez collected a premium in the amount of \$490.00 from J.O. and failed to remit said premium to Farmers; and

IT FURTHER APPEARING, that on or about March 28, 2016, Dominguez collected a premium in the amount of \$900.00 from G.C. and failed to remit said premium to Farmers; and

IT FURTHER APPEARING, that on or about April 1, 2016, Dominguez collected a premium in the amount of \$400.00 from J.B.J. and failed to remit said premium to Farmers; and

IT FURTHER APPEARING, that on or about April 5, 2016, Dominguez collected a premium in the amount of \$125.00 from G.R.J. and failed to remit said premium to Farmers; and

IT FURTHER APPEARING, that Farmers required its agents to remit insureds' premiums to Farmers within 24 hours after receipt by depositing them into a designated Farmers' bank account; and

IT FURTHER APPEARING, that on or about June 9, 2016, Dominguez provided a written signed statement to Farmers' internal auditors in which he acknowledged collecting the five missing premiums referenced above, and admitted to failing to remit those funds to Farmers; and

IT FURTHER APPEARING, that on or about July 28, 2016, Dominguez's Agent Agreement with Farmers was terminated; and

IT FURTHER APPEARING, that on August 23, 2016, an investigator with the Department of Banking and Insurance ("Department") attempted to reach Dominguez by telephone; and

IT FURTHER APPEARING, that on August 30, 2016, the Department e-mailed an inquiry to Dominguez requesting information regarding the termination of his Farmers Agent Agreement; and

IT FURTHER APPEARING, that on September 1, 2016, the Department mailed an inquiry via certified mail to Dominguez requesting his response; and

IT FURTHER APPEARING, that there has been no response to the Department by Dominguez; and

#### **COUNT ONE**

IT FURTHER APPEARING, that Respondents failed to remit premiums provided by at least five clients, in violation of N.J.S.A. 17:22A-40a(2), (4) and (8), N.J.A.C. 11:17A-4.10, N.J.A.C. 11:17C-2.1(a) and N.J.A.C. 11:17C-2.2(a); and

COUNT TWO

IT FURTHER APPEARING, that Respondents failed to timely reply to the Department's inquiries, in violation of N.J.A.C. 11:17A-4.8, N.J.S.A. 17:22A-40a(2), and (8); and

NOW, THEREFORE, IT IS on this 21<sup>st</sup> day of December, 2017

ORDERED that Respondents appear and show cause why their New Jersey insurance producer licenses should not be suspended or revoked pursuant to N.J.S.A. 17:22A-40a; and

IT IS FURTHER ORDERED, that Respondents appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act pursuant to the provisions of N.J.S.A. 17:22A-40 and N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED that Respondents appear and show cause why they should not be required to pay restitution and reimburse the Department for the costs of investigation and prosecution, as authorized pursuant to N.J.S.A. 17:22A-45c; 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 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 licensees 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 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 Respondents have no specific knowledge regarding a fact alleged in this 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.



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Peter L. Hart  
Director of Insurance