

ORDER TO SHOW CAUSE NO. E10- 16

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 insurance)
license of Thomas E. Pugmire,)
Reference No. 9365024)

**ORDER
TO
SHOW CAUSE**

TO: Thomas E. Pugmire
9585 N 6800 W Highland
Highland, Utah 84003

Thomas E. Pugmire
Life Annuity Professionals
P.O. Box 1459
American Fork, UT 84003

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Thomas E. Pugmire ("Pugmire"), currently licensed as a non-resident individual insurance producer pursuant to N.J.S.A. 17:22A-34, has violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Pugmire is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47a, an insurance producer shall report to the Commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this State

within 30 days of the final disposition of the matter; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(1), an insurance producer shall not provide incorrect, misleading, incomplete or materially untrue information in the license application; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(3), an insurance producer shall not obtain or attempt to obtain a license through misrepresentation or fraud; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(15), an insurance producer shall not intentionally withhold material information or make a material misstatement in an application for a license; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(18), an insurance producer shall not fail to notify the commissioner within 30 days of his conviction of any crime, indictment or the filing of any formal criminal charges, or the suspension or revocation of any insurance license or authority by a state, other than this State, or the initiation of formal disciplinary proceedings in a state, other than this State, affecting the producer's insurance license; or fail to obtain the written consent pursuant to 18 U.S.C. sections 1033 and 1034, or fail to supply any documentation that the commissioner may request in connection therewith; and

COUNT 1

IT APPEARING THAT Pugmire was subject to an administrative fine of \$250.00 by the Utah State Insurance Department on or about July 13, 2004 for failing to timely respond to an administrative inquiry by the Utah Commissioner's office; and

IT FURTHER APPEARING THAT Pugmire failed to notify the Commissioner of the New Jersey Department of Banking and Insurance 30 days subsequent to the above-referenced July 13, 2004 fine, in violation of N.J.S.A. 17:22A-47a, and failed to notify the Commissioner of the initiation of such proceedings within 30 days in violation of N.J.S.A. 17:22A-40a(18); and

COUNT 2

IT FURTHER APPEARING THAT, on or about August 26, 2008, Pugmire submitted an application to reinstate his New Jersey non-resident insurance producer license; and

IT FURTHER APPEARING THAT Pugmire provided incorrect and misleading information when he failed to disclose the above-referenced fine in his application for reinstatement when he checked "no" in response to a question asking, "Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company, ever been involved in an administrative proceeding regarding any

professional or occupational license, or registrations?" in violation of N.J.S.A. 17:22A-40a(1), (3) and (15); and

NOW, THEREFORE, IT IS on this 20th day of April, 2010

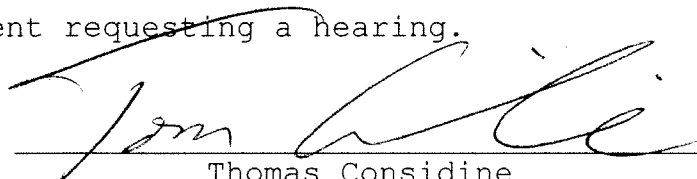
ORDERED that Pugmire appear and show cause why the Commissioner should not assess fines up to \$5,000.00 for the first violation and not exceeding \$10,000.00 for each subsequent violation, pursuant to the provisions of N.J.S.A. 17:22A-45c, due to his failure to comply with New Jersey's insurance laws and regulations; and it is further

ORDERED that Respondent appear and show cause why he should not be subject to additional penalties, fines, restitution of fees improperly charged to and collected from clients, and reimbursement of the costs of investigation and prosecution by the Department of Banking and Insurance 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 his own expense, to take testimony, to call or cross-examine witnesses, to have subpoena and subpoena 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 Respondent, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Thomas F. Ritardi, Manager of Enforcement, Department of Banking and Insurance, P.O. Box 329, Trenton, N.J. 08625 or by faxing the request to the Department at (609) 292-5337. The request shall contain:

- (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 Respondent has 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.


Thomas Considine
Commissioner