

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)
Michael Ray Matos, Reference No. 11585530.)
_____)

FINAL ORDER

TO: Michael Ray Matos
657 Skyline Drive
Lake Hopatcong, New Jersey 07849

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon issuance of Order to Show Cause No. E21-47 (the “OTSC”), alleging that Michael Ray Matos (“Respondent”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was formerly licensed as a resident individual insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-32(a), until September 30, 2019, when his license expired; 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 to -48 (“Producer Act”), the Producer Licensing regulations, N.J.A.C. 11:17-1.1 to -2.17, and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(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-40(a)(19) and N.J.S.A. 17:22A-47(c), an insurance producer shall notify the Commissioner within 30 days of the final disposition of any disciplinary action taken against the producer by the Financial Industry Regulatory Authority ("FINRA"); and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(a), an insurance producer shall notify the Commissioner of any administrative action taken against them by another governmental agency in this State within 30 days of the final disposition of the matter; 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 period requested in said inquiry, or no more than 15 calendar days from the date of inquiry was made or mailed in cases where no response time is given; and

WHEREAS, pursuant to N.J.A.C. 11:17D-2.2, each calendar day that an insurance producer fails to respond to an inquiry of the Department within the time requested shall be considered a separate violation and the Commissioner may impose the maximum penalty provided therefor by law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for

each subsequent offense; additionally, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

WHEREAS, on November 17, 2021, the Commissioner issued the OTSC, alleging that Respondent violated New Jersey insurance laws as set forth in the following:

FACTUAL ALLEGATIONS

IT APPEARING, that beginning on July 20, 2015 Respondent was a licensed resident insurance producer in the state of New Jersey; and

IT FURTHER APPEARING, that in October 2017, Respondent was registered with the New Jersey Bureau of Securities (“NJ BOS”) as an agent with J.P. Morgan Securities, LLC (“JP Morgan”); and

IT FURTHER APPEARING, that on October 20, 2017, JP Morgan filed a report with FINRA terminating Respondent’s registrations and reported that Respondent “resigned voluntarily” after non-security related allegations that Respondent entered inaccurate information in to JP Morgan’s internal affiliate bank system (“JP Morgan Allegations”); and

IT FURTHER APPEARING, that on December 6, 2017 and December 27, 2017, FINRA sent Respondent requests for documentation and information related to the JP Morgan Allegations; and

IT FURTHER APPEARING, that Respondent did not respond to the FINRA requests for documentation and information; and

IT FURTHER APPEARING, that on February 13, 2018, FINRA sent Respondent a Notice of Suspension; and

IT FURTHER APPEARING, that on March 19, 2018, FINRA sent Respondent the Suspension from Association, providing that Respondent was suspended from associating with any FINRA member in any capacity; and

IT FURTHER APPEARING, that Respondent failed to request termination of his FINRA suspension within three months of the date of the Notice of Suspension; and

IT FURTHER APPEARING, that on May 16, 2018, after failure to request termination of his FINRA suspension, Respondent was barred by FINRA from associating with any FINRA member in any capacity (“FINRA Disciplinary Action”); and

IT FURTHER APPEARING, that on March 5, 2019, the NJ BOS entered a Summary Revocation Order against Respondent for the above-mentioned conduct; and

IT FURTHER APPEARING, that Respondent failed to notify the Commissioner of the FINRA Disciplinary Action taken against him within 30 days; and

IT FURTHER APPEARING, that Respondent failed to notify the Commissioner of the NJ BOS Summary Revocation Order within 30 days of the order; and

IT FURTHER APPEARING, that on June 4, 2019, the Department sent a letter of request for information to Respondent regarding his failure to report the FINRA Disciplinary Action and the NJ BOS Summary Revocation Order to the Department (“Letter of Request”); and

IT FURTHER APPEARING, that Respondent failed to respond to the Letter of Request; and

IT FURTHER APPEARING, that on November 8, 2019, the Department emailed Respondent a copy of the Letter of Request; and

IT FURTHER APPEARING, that Respondent failed to respond to the emailed Letter of Request; and

COUNT ONE

IT FURTHER APPEARING, that Respondent failed to notify the Department of the FINRA BAR within 30 days, in violation of N.J.S.A. 17:22A-40(a)(2), (19), and N.J.S.A. 17:22A-47(c); and

COUNT TWO

IT FURTHER APPEARING, that Respondent failed to notify the Department of the NJ BOS Summary Revocation Order, in violation of N.J.S.A. 17:22A-40(a) (2) and N.J.S.A. 17:22A-47(a); and

COUNT THREE

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

IT FURTHER APPEARING, that as set forth in the certification of service of Ashleigh B. Shelton, Deputy Attorney General (attached as Exhibit 1), Respondent was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to the OTSC, which was duly served on Respondent by certified and regular mail to the address listed on this Final Order in accordance with N.J.A.C. 11:17D-2.1(a)(3); and

IT FURTHER APPEARING, that Respondent failed to provide a response to the charges contained in the OTSC within 20 days as provided by N.J.A.C. 11:17D-2.1(d)(1), or at all, and therefore Respondent has waived his right to a hearing to contest these charges and the charges are deemed admitted, pursuant to N.J.A.C. 11:17D-2.1(b)(1);

NOW, THEREFORE, IT IS on this 31 day of March, 2022

ORDERED, that the charges contained in Counts One, Two, and Three of the OTSC are deemed admitted by Respondent pursuant to N.J.A.C. 11:17D-2.1(b)(1); and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-40, and N.J.A.C. 11:17D-2.1(b)(2), the resident insurance producer license of Respondent is hereby **REVOKED** effective upon the execution of this Final Order by the Commissioner; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45(c), Respondent shall pay a civil penalty in the total amount of \$25,000.00 to the Commissioner, as follows: for the violations stated in Count 1 of the OTSC - \$5,000, for the violations stated in Count 2 of the OTSC - \$10,000.00, for the violations stated in Count 3 of the OTSC - \$10,000.00; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45(c), Respondent shall reimburse the Department of Banking and Insurance, Division of Insurance Enforcement, for the costs associated with the investigation and prosecution of this matter, as evidenced by the Certification of Costs by Investigator Daxesh M. Patel (attached as Exhibit 2), totaling \$487.50. The Commissioner approves the investigative costs as reasonable; and

IT IS FURTHER ORDERED, that Respondent shall pay the above penalties and costs to the Commissioner of Banking and Insurance, State of New Jersey, P.O. Box 329, Trenton, New Jersey 08625, Attention: Virgil Downtin, Chief of Investigations, by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," within ten (10) days from the date of service of this Order; and

IT IS FURTHER ORDERED, that in the event full payment of the penalty and costs is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid penalties, in accordance with the Penalty Enforcement Law, N.J.S.A. 2A:58-10 to -12; and

IT IS FURTHER ORDERED, that the civil penalty in this Final Order is imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and the protection of the public health, safety and welfare, and is not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED, that the provisions of this Final Order represent a final agency decision and constitute a final resolution of the allegations contained in the OTSC.



Marlene Caride
Commissioner