

CONSENT ORDER No. E15-40

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 producer license of)
Natalie Mera Reference No.)
1196970, for violations of the)
Producer Licensing Act,)
N.J.S.A. 17:22A-26, et seq.,)
and impose civil penalties,)
attorneys' fees, costs and)
restitution for violations)
of the Insurance Fraud)
Prevention Act, N.J.S.A.)
17:33A-1 et seq.)
)

CONSENT ORDER

OAL Dkt No.: BKI-11742-2013

TO: Natalie Mera, *pro se*
44 - 46th Street
Weehawken, NJ 07086

THIS MATTER, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that NATALIE MERA ("Mera" or "Respondent"), previously licensed as a resident individual insurance producer, pursuant to N.J.S.A. 17:22A-26 et seq., until the license was surrendered on August 6, 2013, 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, N.J.S.A. 17:22A-26 et seq. ("Producer Act"), and the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 et seq. ("Fraud Act"); 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(8), insurance producers shall not engage in fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(10), insurance producers shall not forge another's name to an insurance document; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(18), an insurance producer shall notify the Commissioner of her indictment and/or conviction of any crime; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47b, an insurance producer shall report a criminal prosecution of the producer to the Commissioner within thirty (30) days of the pretrial hearing date; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person violating any provisions of the Producer Act shall be liable to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense, as well as, restitution of moneys owed any person and reimbursement of the costs of investigation and prosecution; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5a and N.J.A.C. 11:16-7.1 et. seq., the Commissioner is authorized to institute an administrative proceeding for civil penalties and other relief against any person who violates the Fraud Act; and

WHEREAS, pursuant to N.J.S.A. 17:33A-2, the Fraud Act was enacted to "confront aggressively the problem of insurance fraud in New Jersey" through the assessment of penalties upon those who violate the Act; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4a(3), a person violates the Fraud Act where the person "[c]onceals or knowingly fails to disclose the occurrence of an event which affects any

person's initial or continued right or entitlement to (a) any insurance benefit or payment or (b) the amount of any benefit or payment to which the person is entitled"; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4a(4)(b), a person violates the Fraud Act where the person prepares or makes any written statement intended to be presented to any insurance company or producer for the purpose of obtaining an insurance policy, knowing the statement contains any false or misleading information concerning any fact or thing material to an insurance application; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4a(5), a person violates the Fraud Act where the person [c]onceals or knowingly fails to disclose any evidence, written or oral, which may be relevant to a finding that a violation of N.J.S.A. 17:33A-4(a)(4) has or has not occurred; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5c and N.J.A.C. 11:16-7.9(a), violations of the Fraud Act subject the violator to a civil penalty not to exceed \$5,000 for the first offense, not to exceed \$10,000 for the second offense, and not to exceed \$15,000 for each subsequent offense. Moreover, the Commissioner may issue a final order recovering the costs of prosecution, including attorney's fees, in accordance with N.J.A.C. 11:16-7.9(c); and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, any person who is found in any legal proceeding to have committed insurance fraud, shall be subject to a surcharge in the amount of \$1,000; and

WHEREAS, that the Commissioner issued Order to Show Cause No. E13-62 on June 26, 2013, alleging violations of the Producer Act and Fraud Act by Respondent Mera; and

WHEREAS, the alleged violations contained in Order to Show Cause No. E13-62 are conformed herein to meet the proofs:

COUNT 1
(Fraud Act Violations)

IT APPEARING, that at all relevant times, Angelina Stanziale was the owner of Stanziale Construction located at 2 Springfield Avenue, East Orange, New Jersey 07017; and

IT FURTHER APPEARING, that at all relevant times, Mera was an agent for American Family Life Assurance Company of Columbus ("AFLAC"); and

IT FURTHER APPEARING, that Franklin and Stephanie Munoz are Respondent's cousins, and Julian Mera is Respondent's father; and

IT FURTHER APPEARING, that Mera completed and signed a Payroll Account Acknowledgment form, dated March 30, 2012, to enroll Stanziale Construction employees in AFLAC insurance policies; and

IT FURTHER APPEARING, that the Payroll Acknowledgment stated that Stanziale Construction had six (6) employees and it identified Ms. Stanziale as the company's authorizing officer. The Payroll Acknowledgment form also contained Ms. Stanziale's forged signature; and

IT FURTHER APPEARING, that Ms. Stanziale was not aware that Mera prepared the Payroll Acknowledgment form

and she did not authorize Mera to obtain an insurance policy for Stanziale Construction or its employees; and

IT FURTHER APPEARING, that Mera caused the Payroll Acknowledgment form to be forwarded to AFLAC, which subsequently issued an insurance policy to Stanziale Construction; and

IT FURTHER APPEARING, that Mera's false and/or misleading statements on the Payroll Acknowledgment form and/or her failure to disclose material facts to AFLAC constitute violations of the Fraud Act, including, but not limited to, misrepresenting Ms. Stanziale's participation in the Payroll Acknowledgment form and providing Ms. Stanziale's forged signature on the Payroll Acknowledgment form, in violation of N.J.S.A. 17:33A-4a(4)(b); and

COUNT 2
(Producer Licensing Act Violations)

IT FURTHER APPEARING, that Mera forged Ms. Stanziale's signature and provided the falsified Payroll Acknowledgment form to AFLAC without Ms. Stanziale's knowledge or consent, in violation of N.J.S.A. 17:22A-40a(2), N.J.S.A. 17:22A-40a(8), N.J.S.A. 17:22A-40a(10), and N.J.S.A. 17:22A-40a(16); and

COUNT 3
(Fraud Act Violations)

IT FURTHER APPEARING, that Mera completed and signed an AFLAC New Business Transmittal Payroll form, dated April 2, 2012, to enroll Franklin Munoz in an accident insurance policy and enroll Julian Mera in a vision health insurance policy ("Franklin/Julian Application"); and

IT FURTHER APPEARING, that the aforementioned Franklin/Julian Application falsely indicated that Julian Mera and Franklin Munoz were employees of Stanziale Construction; and

IT FURTHER APPEARING, that the Franklin/Julian Application was purportedly signed by Julian Mera and Franklin Munoz; and

IT FURTHER APPEARING, that, on March 30, 2012, Mera signed the Franklin/Julian Application with her electronic signature and she certified that "All answers above are correct to the best of my knowledge." Mera subsequently provided the aforementioned Franklin/Julian Application to AFLAC and an insurance policy was issued; and

IT FURTHER APPEARING, that Mera knowingly submitted false and/or misleading statements on the aforementioned Franklin/Julian Application to AFLAC by falsely stating that Julian Mera and Franklin Munoz were employees of Stanziale Construction, in violation of N.J.S.A. 17:33A-4a(4)(b); and

COUNT 4
(Producer Licensing Act Violations)

IT FURTHER APPEARING, that Mera knowingly submitted false and/or misleading statements on the aforementioned Franklin/Julian Application to AFLAC by falsely stating that Julian Mera and Franklin Munoz were employees of Stanziale Construction, in violation of N.J.S.A. 17:22A-40a(2), N.J.S.A. 17:22A-40a(8), and N.J.S.A. 17:22A-40a(16); and

COUNT 5
(Fraud Act Violations)

IT FURTHER APPEARING, Mera completed and signed an AFLAC New Business Transmittal Payroll form, dated April 2, 2012, to enroll Stephanie Munoz in an accident insurance policy (hereinafter, the "Stephanie Application"); and

IT FURTHER APPEARING, that that the aforementioned Stephanie Application falsely indicated that Stephanie Munoz was an employee of Stanziale Construction; and

IT FURTHER APPEARING, that the Stephanie Application was purportedly signed by Stephanie Munoz; and

IT FURTHER APPEARING, that, on March 30, 2012, Mera signed the Stephanie Application with her electronic signature and she certified that "All answers above are correct to the best of my knowledge." Mera

subsequently provided the aforementioned Stephanie Application to AFLAC and an insurance policy was issued; and

IT FURTHER APPEARING, that Mera knowingly submitted false and/or misleading statements on the aforementioned Stephanie Application to AFLAC by falsely stating that Stephanie Munoz was an employee of Stanziale Construction, in violation of N.J.S.A. 17:33A-4a(4)(b); and

COUNT 6
(Producer Licensing Act Violations)

IT FURTHER APPEARING, that Mera knowingly submitted false and/or misleading statements on the aforementioned Stephanie Application by falsely stating that Stephanie Munoz was an employee of Stanziale Construction, in violation of N.J.S.A. 17:22A-40a(2), N.J.S.A. 17:22A-40a(8), and N.J.S.A. 17:22A-40a(16); and

COUNT 7
(Fraud Act Violations)

IT FURTHER APPEARING, that Ms. Stanziale received an invoice for the above referenced insurance policies and alerted AFLAC that she never authorized the applications or policies; and

IT FURTHER APPEARING, that AFLAC interviewed Mera about the above referenced policies in a recorded conversation on October 2, 2012; and

IT FURTHER APPEARING, that Mera falsely told the AFLAC investigator in the recorded conversation that she enrolled Julian Mera and Franklin and Stephanie Munoz in the above referenced policies because she was training agents and that the applications were mistakenly sent to AFLAC; and

IT FURTHER APPEARING, that Mera's false statements to the AFLAC investigator constitute violations of N.J.S.A. 17:33A-4a(3), and N.J.S.A. 17:33A-4a(5); and

COUNT 8
(Producer Licensing Act Violations)

IT FURTHER APPEARING, that Mera's provided the aforementioned false information to the AFLAC investigator in the October 2nd recorded interview, in violation of N.J.S.A. 17:22A-40a(2), N.J.S.A. 17:22A-40a(8) and N.J.S.A. 17:22A-40a(16); and

COUNT 9
(Producer Licensing Act Violation)

IT FURTHER APPEARING, that on or about January 29, 2013, Mera was indicted by the Grand Jury in Essex County for 3rd Degree Forgery; and

IT FURTHER APPEARING, that on May 6, 2013, Mera entered Pre-Trial Intervention and she was ordered to surrender her insurance producer license; and

IT FURTHER APPEARING, that on or about August 6, 2013, Mera surrendered her insurance producer's license; and

IT FURTHER APPEARING THAT, Mera failed to notify the Department of her indictment within thirty (30) days, in violation of N.J.S.A. 17:22A-40a(2), N.J.S.A. 17:22A-40a(8), N.J.S.A. 17:22A-40a(18) and N.J.S.A. 17:22A-47b; and

IT FURTHER APPEARING, that Respondent Mera requested a hearing on the allegations contained in the Order to Show Cause, but entered into this Consent Order prior to the Administrative Hearing; and

IT FURTHER APPEARING, that Respondent Mera admits and agrees to take responsibility for the aforementioned violations of the Producer Act and the Fraud Act; and

IT FURTHER APPEARING, that cause does exist under N.J.S.A. 17:22A-40a, N.J.S.A. 17:22A-45c, N.J.S.A. 17:33A-4, and

N.J.S.A. 17:33A-5c for the imposition of a fine upon Respondent for the violations described above; and

IT FURTHER APPEARING, that Respondent Mera has waived her right to a hearing on the above violations and consents to revocation of her insurance producer license, and to the payment of a fine totaling \$12,250.00 for the violations contained in Order to Show Cause No. E13-62, pursuant to N.J.S.A. 17:22A-45c, and N.J.S.A. 17:33A-5c; and

IT FURTHER APPEARING, that this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

IT FURTHER APPEARING, that good cause exists to enter into this Consent Order; and

NOW, THEREFORE, IT IS on this 23RD day of APRIL, 2015,

ORDERED AND AGREED, that Respondent Mera admits to the charges contained in Order to Show Cause No. E13-62 as modified above; and

IT IS FURTHER ORDERED AND AGREED, that the insurance producer license of Respondent Mera is hereby REVOKED; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall pay total civil penalties in the amount of \$12,250.00 ("Settlement Amount"), consisting of \$5,000.00 for the five (5) violations of the Producer Act, pursuant to N.J.S.A. 17:22A-45c, \$5,000.00 for

the four (4) violations of the Fraud Act, pursuant to N.J.S.A. 17:33A-5c, \$250.00 statutory insurance surcharge, pursuant to N.J.S.A. 17:33A-5.1, \$1,000.00 for the costs of investigation, pursuant to N.J.S.A. 17:22A-45c, and \$1,000.00 for attorneys' fees, pursuant to N.J.S.A. 17:33A-5c; and

IT IS FURTHER ORDERED AND AGREED, that upon execution of this Consent Order, Respondent Mera shall remit to the attorney for the Commissioner the executed copy of this Consent Order along with a payment in the amount of \$1,250.00, by certified check, official bank check, or money order made payable to the "State of New Jersey, General Treasury", and send to:

Ryan S. Schaffer, Deputy Attorney General
State of New Jersey, Division of Law
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 117
Trenton, New Jersey 08625-0117

IT IS FURTHER ORDERED AND AGREED, that Respondent Mera shall remit the remaining balance of \$11,000.00 in monthly installment payments of at least \$300.00, to be paid on or by the first day of each month, beginning May 1, 2015, until the full Settlement Amount has been paid, by way of certified check, official bank check, or money order made payable to the "State of New Jersey, General Treasury," and send to:

Rose V. McGill
Collections Department
New Jersey Department of Banking and Insurance
20 West State Street, 10th Floor

P.O. Box 325
Trenton, New Jersey 08625-0325

IT IS FURTHER ORDERED AND AGREED, that if Respondent Mera fails to make any scheduled payment within ten (10) days of its due date, the Commissioner can, upon notice to Respondent, declare the entire outstanding balance to be immediately due and payable. Thereafter, the Commissioner may take any action available under the law of this State to collect the amount outstanding at that time, including post-judgment interest from the date of the judgment, attorneys' fees, and any other remedies available under the law; and

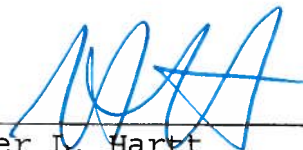
IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the Settlement Amount is not made, the Commissioner may exercise any and all remedies available by law, including, but not limited to, recovery of any unpaid penalties pursuant to the Penalty Enforcement Law, N.J.S.A. 2A:58-10, et seq.; and

IT IS FURTHER ORDERED AND AGREED, the penalties of this Consent Order are imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and protection of the public health, safety, and welfare, and are not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding.

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and

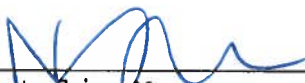
constitute final resolution of the violations contained herein against Respondent Mera.

IT IS FURTHER ORDERED AND AGREED, that Respondent Mera shall cease and desist from engaging in the conduct that gave rise to this Consent Order.



Peter L. Harte
Director of Insurance

Consented to as to Form, Consent, and Entry:



Natalie Mera, *pro se*
Respondent

Date: _____

4/10/2015

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

Date: _____

April 17, 2015



Ryan S. Schaffer
Deputy Attorney General
Attorney for the New Jersey
Department of Banking and
Insurance