

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 licenses of CARMEN L.)
LEBRON, Ref. No. 1043500;)
WALTER A. LACEY, Ref. No.)
1030813; CARMEN I. MASON, Ref.)
No. 1096009; and PLATINUM TITLE)
& ABSTRACT AGENCY LLC., Ref. No.)
1099549)

FINAL ORDER

TO: Walter A. Lacey
314 S. Charleston Ave.
Lawnside, NJ 08045

Platinum Title & Abstract Agency LLC.
C/O Walter A. Lacey
314 S. Charleston Avenue
Lawnside, NJ 08045

Carmen I. Mason
831 N. 4th Street
Camden, NJ 08102

Platinum Title & Abstract Agency LLC.
C/O Carmen I. Mason
831 N. 4th Street
Camden, NJ 08102

Carmen L. Lebron
620 Dunlin Farms Court
Lawrenceville, GA 30444

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Carmen L. Lebron ("Lebron"), Walter A.

Lacey ("Lacey"), Carmen I. Mason ("Mason"), and Platinum Title & Abstract Agency LLC ("Platinum") (collectively "Respondents"), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Platinum was previously licensed as a resident business insurance producer pursuant to N.J.S.A. 17:22A-32; and

WHEREAS, Lebron, Mason, and Lacey were previously licensed as a resident business insurance producers pursuant to N.J.S.A. 17:22A-32; and

WHEREAS, at all relevant times Mason and Lacey were the Designated Responsible Licensed Producers ("DRLP") for Platinum, pursuant to N.J.S.A. 17:22A-32b(2); and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance laws, regulations, subpoenas or orders of the Commissioner; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(4), an insurance producer shall not 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 business practices, or demonstrate incompetence,

untrustworthiness or financial irresponsibility in the conduct of 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-45a, the Commissioner shall have the power to conduct investigations, to administer oaths, to interrogate licensees and others, and to issue subpoenas to any licensee or any other person in connection with any investigation; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person violating any provisions of the Act shall be liable to a penalty not exceeding \$5,000 for the first offense and not exceeding \$10,000 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. 17:22A-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-32b(2), a

business entity acting as an insurance producer shall designate a licensed insurance producer or producers responsible for the business entity's compliance with the insurance laws, rules and regulations of this 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 of Banking and Insurance, (the "Department") relative to the business of insurance within the time requested in said inquiry, or no less 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), an insurance producer shall hold all premium funds in a fiduciary capacity and shall not misappropriate, improperly convert to the insurance producer's own use or illegally withhold premium funds; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.2(c), all title insurance settlement funds shall be disbursed within five business days after settlement except as determined by the parties at settlement; and

WHEREAS, the Commissioner issued Order to Show Cause No. E13-108 on October 7, 2013 (hereinafter, the "OTSC"), alleging violations of New Jersey insurance laws by Respondents as set forth in the following Count:

COUNT 1

Respondents Mason, Lacey, & Platinum

IT APPEARING, that Lebron was previously licensed as a resident individual insurance producer from on or about July 13, 2005 until expiration on or about April 30, 2009; and

IT FURTHER APPEARING, that Mason was previously licensed as a resident individual insurance producer from on or about February 22, 2007 until expiration on or about August 31, 2010; and

IT FURTHER APPEARING, that Lacey was previously licensed as a resident individual insurance producer from on or about December 28, 2004 until expiration on or about October 31, 2008; and

IT FURTHER APPEARING, that Platinum was previously licensed as a resident business insurance producer from on or about March 28, 2007 until expiration on or about May 31, 2009; and

IT FURTHER APPEARING, that Mason and Lacey became Platinum's DRLPs effective on or about March 28, 2007; and

IT FURTHER APPEARING, that on or about June 26, 2007, Lebron conducted a closing for Willie O. Powell ("Powell"); and

IT FURTHER APPEARING, that at the time of

closing, there was a prior mortgage still on record; and

IT FURTHER APPEARING, that the prior mortgage on record was paid off but never marked as satisfied on the county records; and

IT FURTHER APPEARING, that at the time of closing, Powell and Lebron, on behalf of Platinum, signed a Settlement Escrow Agreement ("Agreement") permitting Lebron and Platinum to retain \$1,500.00 in escrow, while an action was filed to cancel a prior mortgage on property being conveyed, and obtain a Mortgage Discharge by court order; and

IT FURTHER APPEARING, that the June 26, 2007 Agreement provided that the \$1,500.00 held by Lebron and Platinum would be paid back to Powell upon receipt of the Mortgage Discharge; and

IT FURTHER APPEARING, that on or about September 3, 2008, a Final Judgment Canceling Mortgage of Record was entered for the conveyed property in the Superior Court of New Jersey Chancery Division Camden County; and

IT FURTHER APPEARING, that this Final Judgment Canceling Mortgage was sent to Lebron and Platinum who failed to release the \$1,500.00 funds held in escrow; and

IT FURTHER APPEARING, that on or about June 1, 2009, Powell, through his attorney, attempted to contact Lebron and Platinum, but found that Lebron and Platinum's phone lines, fax lines and email addresses had all been disconnected or cancelled; and

IT FURTHER APPEARING, that Lebron and Platinum withheld, misappropriated or converted the \$1,500.00 in escrow, in

violation of N.J.S.A. 17:22A-40a(2), (4), (8) & (16), N.J.A.C. 11:17C-2.2(c), and N.J.A.C. 11:17A-4.10; and

IT FURTHER APPEARING, that Lacey and Mason, in their capacities as DRLPs, are responsible for Platinum's compliance with the insurance laws, rules and regulations of this State, in violation of N.J.S.A. 17:22A-32b(2); and

COUNT 2

All Respondents

IT FURTHER APPEARING, that on or about July 31, 2012, The New Jersey Department of Banking and Insurance mailed inquiries to Respondents, notifying them that a complaint was received regarding the defalcation of funds in the Powell matter, and seeking responses; and

IT FURTHER APPEARING, that the inquiries requested a statement of facts and supporting documents within seven (7) days from receipt of the inquiries; and

IT FURTHER APPEARING, that the inquiry to Mason, which included notice to Platinum, was delivered, and the signed certified receipt was returned to the Department; and

IT FURTHER APPEARING, that the inquiries for Lebron and Lacey, each of which included notice to Platinum, were returned to the Department as unclaimed; and

IT FURTHER APPEARING, that on or about September 14, 2012, The Department mailed another set of inquiries to Respondents notifying them that a complaint was received regarding the defalcation of funds in the Powell matter, and seeking responses; and

IT FURTHER APPEARING, that the inquiries requested a statement of facts and

supporting documents within seven (7) days from receipt of the inquiries; and

IT FURTHER APPEARING, that the inquiry to Lebron, including notice to Platinum, was delivered, and the signed certified receipt was returned to the Department; and

IT FURTHER APPEARING, that the inquiries to Mason and Lacey, each of which included notice to Platinum, were returned to the Department as unclaimed; and

IT FURTHER APPEARING, that Respondents failed to respond to the Department's inquiries within the time stated; and

IT FURTHER APPEARING, that Respondent's failure to respond to the Department's formal inquiries constitute violations of N.J.S.A. 17:22A-40a(2) and N.J.A.C. 11:17A-4.8; and

IT FURTHER APPEARING, that Respondents failed to appear and produce documents under subpoena, in violation of N.J.S.A. 17:22A-40a(2) and (8) and N.J.A.C. 11:17A-4.8.

IT FURTHER APPEARING, that as set forth in the certification of service of Ryan S. Schaffer, Deputy Attorney General, attached hereto as Exhibit "A", Respondents were given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to Order to Show Cause No. E13-108, which were duly served by certified and regular mail to the addresses listed in this Final Order in accordance with N.J.A.C. 11:17D-2.1(a)3; and

IT FURTHER APPEARING, that Respondent Lebron provided a written response to the allegations in Count 1 sufficient to warrant exclusion of Lebron from Count 1; and

IT FURTHER APPEARING, that Respondent Lebron failed to provide a written response to the charges contained in Count 2 of Order to Show Cause No. E13-108 within 20 days as provided by N.J.A.C. 11:17D-2.1(d), and therefore Respondent Lebron has waived her right to a hearing to contest that charge and the charge is deemed admitted, pursuant to N.J.A.C. 11:17D-2.1(b);

IT FURTHER APPEARING, that although due notice of the charges provided an opportunity to oppose the allegations, Respondents Lacey, Mason, and Platinum failed to provide written responses to the charges contained in Order to Show Cause No. E13-108 within 20 days as provided by N.J.A.C. 11:17D-2.1(d), and therefore Respondents have waived their 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);

NOW, THEREFORE, IT IS on this 1st day of July, 2015

ORDERED, that the charges contained in Count 1 of Order to Show Cause No. E13-108 are deemed admitted by Respondents Lacey, Mason and Platinum, pursuant to N.J.A.C. 11:17D-2.1(b); and

IT IS FURTHER ORDERED, that the charges contained in Count 2 of Order to Show Cause No. E13-108 are deemed admitted by Respondents Lacey, Mason, Lebron, and Platinum, pursuant to N.J.A.C. 11:17D-2.1(b); 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 expired resident insurance producer license of Respondent Lebron 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-40, and N.J.A.C. 11:17D-2.1(b)(2), the expired resident insurance producer license of Respondent Mason 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-40, and N.J.A.C. 11:17D-2.1(b)(2), the expired resident insurance producer license of Respondent Lacey 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-40, and N.J.A.C. 11:17D-2.1(b)(2), the expired resident business insurance producer license of Respondent Platinum 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-45c, Respondent Platinum shall be responsible for the payment of a \$6,000.00 civil penalty to the Commissioner for the violations contained in Order to Show Cause No. E13-108, which aggregate amount has been determined as follows:

- a. \$5,000.00 for violations of the Producer Act described in Count 1 of Order to Show Cause No. E13-108 for misappropriating and converting monies held in escrow; and
- b. \$1,000.00 for violations of the Producer Act described in Count 2 of Order to Show Cause No. E13-108 for failing to respond to the Department's formal inquiry in writing within the time prescribed by the regulation; and

IT IS FURTHER ORDERED, that Respondents Lacey and Mason as the Designated Responsible Licensed Producers of Platinum shall be responsible, jointly and severally, for the payment of Platinum's \$6,000.00 civil penalty to the Commissioner; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c, Respondent Lacey shall be responsible for the

payment of a \$6,000.00 civil penalty to the Commissioner for the violations contained in Order to Show Cause No. E13-108, which aggregate amount has been determined as follows:

- a. \$5,000.00 for violations of the Producer Act described in Count 1 of Order to Show Cause No. E13-108 for misappropriating and converting monies held in escrow; and
- b. \$1,000.00 for violations of the Producer Act described in Count 2 of Order to Show Cause No. E13-108 for failing to respond to the Department's formal inquiry in writing within the time prescribed by the regulation; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c, Respondent Mason shall be responsible for the payment of a \$6,000.00 civil penalty to the Commissioner for the violations contained in Order to Show Cause No. E13-108, which aggregate amount has been determined as follows:

- a. \$5,000.00 for violations of the Producer Act described in Count 1 of Order to Show Cause No. E13-108 for misappropriating and converting monies held in escrow; and
- b. \$1,000.00 for violations of the Producer Act

described in Count 2 of Order to Show Cause No. E13-108 for failing to respond to the Department's formal inquiry in writing within the time prescribed by the regulation; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c, Respondent Lebron shall be responsible for the payment of a \$1,000.00 civil penalty to the Commissioner for the violations contained in Count 2 of Order to Show Cause No. E13-108, which aggregate amount has been determined as follows:

- a. \$1,000.00 for violations of the Producer Act described in Count 2 of Order to Show Cause No. E13-108 for failing to respond to the Department's formal inquiry in writing within the time prescribed by the regulation; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c, Respondents shall be responsible, jointly and severally, for the reimbursement to the Commissioner of the costs of investigation totaling \$275.00. A true and exact copy of the Certification of Daxesh Patel, Department of Banking and Insurance Investigator, is attached hereto as Exhibit "B"; and

IT IS FURTHER ORDERED, that Respondent Lacey shall pay the above fines and costs of investigation totaling \$12,275.00,

consisting of \$6,000.00 in civil penalties to Platinum to be paid jointly and severally with Respondent Mason, \$6,000.00 in civil penalties to be paid individually, and \$275.00 for the costs of investigation to be paid jointly and severally with all Respondents; and

IT IS FURTHER ORDERED, that Respondent Mason shall pay the above fines and costs of investigation totaling \$12,275.00, consisting of \$6,000.00 in civil penalties to Platinum to be paid jointly and severally with Respondent Lacey, \$6,000.00 in civil penalties to be paid individually, and \$275.00 for the costs of investigation to be paid jointly and severally with all Respondents; and

IT IS FURTHER ORDERED, that Respondent Lebron shall pay the above fines and costs of investigation totaling \$1,275.00, consisting of a \$1,000.00 in civil penalty to be paid individually, and \$275.00 for the costs of investigation to be paid jointly and severally with all Respondents; and

IT IS FURTHER ORDERED, that Respondents Lacey and Mason as the Designated Responsible Licensed Producers of Platinum shall be responsible, jointly and severally, for the payment of restitution of \$1,500.00 to Powell; and

IT IS FURTHER ORDERED, that Respondents shall pay the above fines and restitution in full by remitting payment to the Commissioner of Banking and Insurance, State of New Jersey, 20 West State Street, 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 fines and costs are 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 et seq.; and

IT IS FURTHER ORDERED that the fines in this Final Order are 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 are 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 Order to Show

Cause No. E13-108 as to Respondents Platinum, Lacey, Mason, and
Lebron.



Peter L. Hartt
Director of Insurance