

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)
or revoke the insurance licenses)
of Susan J. Fredericks, Reference)
No. 0206692 and Renaissance)
Title Agency, LLC, Reference)
No. 1097314)

**ORDER
TO
SHOW CAUSE**

TO: Susan J. Fredericks
32 Fallsington Place
Crosswicks, NJ 08515

Susan J. Fredericks
c/o Renaissance Title Agency, LLC
231 Crosswicks Road, Suite 1
Bordentown, NJ 08505

Renaissance Title Agency, LLC
231 Crosswicks Road, Suite 1
Bordentown, NJ 08505

Renaissance Title Agency, LLC
c/o Susan J. Fredericks
32 Fallsington Place
Crosswicks, NJ 08515

THIS MATTER, having been opened by Richard J. Badolato, Commissioner, New Jersey Department of Banking and Insurance (“Commissioner”), upon information that Susan J. Fredericks (“Fredericks”), and Renaissance Title Agency, LLC (“Renaissance”),

(collectively “Respondents), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Fredericks was previously licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32 until her license expired on September 30, 2013; and

WHEREAS, Renaissance was previously licensed as a resident business entity insurance producer pursuant to N.J.S.A. 17:22A-32 until its license expired on May 31, 2013; and

WHEREAS, Fredericks was the Designated Responsible Licensed Producer (“DRLP”) of Renaissance and responsible for Renaissance’s compliance with the insurance laws, rules and regulations of this State, pursuant to N.J.S.A. 17:22A-32b(2) ; and

WHEREAS, Fredericks and Renaissance are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26, et seq. (“Producer Act”), the Producer Licensing regulations, N.J.A.C. 11:17-1.1 et seq. and the 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-40a(2), an insurance producer shall not violate any insurance laws, regulations, subpoenas or orders of the Commissioner or of another state’s insurance regulator; 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 in this State or elsewhere; 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-45c, any person who violates 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; additionally, the Commissioner or the court, as the case may be, may order restitution of moneys owed any person and reimbursement of the costs of investigation and prosecution, as appropriate; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.8, an insurance producer shall reply, in writing, to any inquiry of the New Jersey Department of Banking and Insurance (“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. 11:17C-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, pursuant to N.J.S.A. 17:22A-40d and N.J.A.C. 11:17-2.15(c), 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 a violation 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

COUNT 1

IT APPEARING that on or about January 31, 2013, Respondents conducted a settlement (the “January 31 Settlement”) in connection with the sale and purchase of property

located at 207 Lembeck Avenue, Jersey City, New Jersey (the “Lembeck Property”); and

IT FURTHER APPEARING that on or about February 1, 2013, the borrower at the January 31 Settlement (the “January 31 Borrower”) wired \$20,798.04 to Respondents’ trust account for the payment to Jersey City of a tax lien on the Lembeck Property in the amount of \$15,097.80 and for other closing costs relating to the January 31 Settlement; and

IT FURTHER APPEARING that Respondents returned to the January 31 Borrower \$16,444.63 of the \$20,798.04 tendered to their trust account on February 1, 2013; and

IT FURTHER APPEARING that on or about February 5, 2014, the January 31 Borrower requested the return of the balance of \$4,353.41 that had been previously remitted to Respondents; and

IT FURTHER APPEARING that Respondents failed to return the \$4,353.41 to the January 31 Borrower; and

IT FURTHER APPEARING that Respondents never did pay off or satisfy the tax lien on the Lembeck Property in the amount of \$15,097.80 to the Jersey City tax collector as instructed by the January 31 Borrower; and

IT FURTHER APPEARING that Respondents improperly withheld, misappropriated and converted the unrefunded balance of \$4,353.41, belonging to the January 31 Borrower, in violation of N.J.S.A. 17:22A-40a(2) and (16) and N.J.A.C. 11:17C-2.2(c); and

COUNT 2

IT FURTHER APPEARING that on January 14, 2013, Respondents conducted a settlement (the “January 14 Settlement”) in connection with the sale and purchase of property located at 518 Martin Luther King Drive, Jersey City, New Jersey (the “MLK Property”); and

IT FURTHER APPEARING that, in connection with the January 14 Settlement,

on December 27, 2012, Respondents received a wire transfer to their trust account from the borrower at the January 14 Settlement (the "January 14 Borrower") in the amount of \$26,500.00 which was to be applied to the payment of four liens against the MLK Property in the total amount of \$27,447.93; and

IT FURTHER APPEARING that, in connection with the January 14 Settlement, on January 6, 2013, Respondents received a wire transfer to their trust account from the January 14 Borrower in the additional amount of \$11,000.00 which was also to be applied to the payment of the four liens against the MLK Property in the total amount of \$27,447.93; and

IT FURTHER APPEARING that Respondents failed to pay off or satisfy the four liens as instructed by the January 14 Borrower; and

IT FURTHER APPEARING that on or about February 5, 2014, the January 14 Borrower requested the return of the total amount of \$37,500.00 that was remitted to Respondents' trust account; and

IT FURTHER APPEARING that Respondents did not return the \$37,500.00 to the January 14 Borrower; and

IT FURTHER APPEARING that Respondents improperly withheld, misappropriated and converted \$37,500 in funds entrusted to Respondents by the January 14 Borrower, in violation of N.J.S.A. 17:22A-40a(2) and (16) and N.J.A.C. 11:17C-2.2(c); and

COUNT 3

IT FURTHER APPEARING that the Department sent letters, dated November 3, 2014, via certified and regular mail, to Fredericks' residential and business addresses and to the business address on file at the Department for Renaissance, requesting Respondents provide an explanation of the allegations set forth in Counts 1 and 2; and

IT FURTHER APPEARING that Respondents failed to respond to the Department's inquiry in writing, or by any other method, in violation of N.J.S.A. 17:22A-40a(2) and (8) and N.J.A.C. 11:17A-4.8;

NOW, THEREFORE, IT IS on this 25th day of APRIL,
2017

ORDERED that Respondents appear and show cause why their 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 N.J.S.A. 17:22A-45c; and

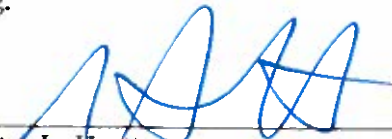
IT IS FURTHER ORDERED that Respondents appear and show cause why they should not be required to pay restitution of moneys owed and reimburse the Department for costs of investigation and prosecution, pursuant to N.J.S.A. 17:22A-45c; and

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 Respondents, 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, N.J. 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 the 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.



Peter L. Hart
Director of Insurance