

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner )	
of Banking and Insurance, State )	ORDER
of New Jersey, to fine, )	TO
suspend, and/or revoke the )	SHOW
insurance producer license of )	CAUSE
Wayne M. Citron, License No. )	
8063623. )	

TO: Wayne M. Citron  
6 Carter Drive  
Marlboro, NJ 07746

This matter, having been opened to the Commissioner of the New Jersey Department of Banking and Insurance ("Department") upon information that Wayne Citron, currently licensed as a resident insurance producer, pursuant to N.J.S.A. 17:22A-33, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Citron is subject to the Insurance Producer Licensing Act, N.J.S.A. 17:22A-26, et seq. ("Producer Act"), the New Jersey Public Adjusters' Licensing Act, N.J.S.A. 17:22B-1, et seq. ("Public Adjusters' Act") and the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 et seq. ("Fraud Act"); and

WHEREAS, Citron has been a licensed insurance producer in New Jersey, pursuant to N.J.S.A. 17:22A-32, since 1983; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), a producer cannot violate any insurance law, or violate any regulation, subpoena, or order of the Commissioner, or of another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(8), a producer cannot use fraudulent, coercive, or dishonest 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(9), a producer cannot have a producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(15), a producer cannot 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), a producer must 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; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(19), a producer must notify the Commissioner within 30 days of the final disposition of any formal disciplinary proceedings initiated against the insurance producer, or disciplinary action taken against the producer, by the Financial Industry Regulatory Authority ("FINRA"), any successor organization, or other similar non-governmental regulatory authority with statutory authority to create and enforce industry standards of conduct, or of any other administrative actions or criminal prosecutions; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person violating any provision of the Producer Act shall, in addition to any other sanctions imposed by law, be liable for a civil penalty of not more than \$5,000.00 for the first offense and not more than \$10,000.00 for the second and each subsequent offense; 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. This report shall include a copy of the order, consent order or other relevant legal documents; and

WHEREAS, pursuant to N.J.S.A. 17:22B-2, a public adjuster or adjuster means any individual, firm, association or corporation who, or which, for money, commission or any other thing of value, acts or aids in any manner on behalf of an insured in negotiating for, or effecting, the settlement of claims for loss of damage caused by, or resulting from, any accident, incident, or occurrence covered under a property insurance policy, including, but not limited to, a flood, transit, inland marine or ocean marine policy; or who, or which, advertises for, or solicits employment as an adjuster of those claims. The term "public adjuster" shall also include any individual who, for money, commission or any other thing of value, solicits or adjusts those claims on behalf of any public adjuster.

WHEREAS, pursuant to N.J.S.A. 17:22B-3a, no individual, firm, association, or corporation shall act as an adjuster in this State unless authorized to do so by virtue of a license issued or renewed pursuant to the Public Adjusters' Act; and

WHEREAS, pursuant to N.J.S.A. 17:22B-17, any person violating any provision of the Public Adjusters' Act shall, in

addition to any other sanctions provided by law, be liable for a civil penalty of not more than \$2,500.00 for the first offense and not more than \$5,000.00 for the second and each subsequent offense; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4a(1), any person who presents or causes to be presented any written or oral statement as part of, or in support of or opposition to, a claim for payment or other benefit pursuant to an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to the claim violates the Fraud Act; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5c, any person violating any provision of the Fraud Act shall, in addition to any other sanctions provided by law, be liable for a civil and administrative penalty of not more than \$5,000.00 for the first offense, \$10,000.00 for the second offense, and \$15,000.00 for the third and each subsequent offense; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5c, any person violating any provision of the Fraud Act shall, in addition to any others sanctions provided by law, be liable for restitution and costs of prosecution, including attorneys' fees; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, any person violating any provision of the Fraud Act shall, in addition to

any other sanctions imposed by law, be subject to a surcharge in the amount of \$1,000.00; and

**COUNT 1**

IT FURTHER APPEARING that, on or about May 14, 1993, Citron's New York insurance producer license was revoked, in violation of N.J.S.A. 17:22A-40a(2) and (9); and

**COUNT 2**

IT FURTHER APPEARING that Citron failed to notify the Department within 30 days of the revocation of his New York insurance producer license, in violation of N.J.S.A. 17:22A-40a(2), (8) and (18) and N.J.S.A. 17:22A-47a; and

**COUNT 3**

IT FURTHER APPEARING that Citron has never been licensed as a public adjuster in the State of New Jersey; and

IT FURTHER APPEARING that, at all times relevant hereto, the New Jersey home of R.R. and C.R. was insured by New Jersey Manufacturers Insurance Co. ("NJM"); and

IT FURTHER APPEARING that, on or about October 29, 2012, the Manahawkin, New Jersey home of R.R. and C.R. was damaged by Superstorm Sandy; and

IT FURTHER APPEARING that, on or about December 20, 2012 R.R. and C.R. entered into a Professional Services Agreement ("Agreement") with Citron; and

IT FURTHER APPEARING that, pursuant to the Agreement, Citron agreed to "assist the client, prepare a report, provide opinions and perform other professional services on behalf of the client to their insurer NJ Manufacturers Ins. Co." in exchange for \$1,000.00; and

IT FURTHER APPEARING that, on or about December 21, 2012, Citron contacted NJM and stated that he was a "claims expert" representing R.R. and C.R.; and

IT FURTHER APPEARING that, on or about December 21, 2012, Citron sent a letter to NJM stating that he was authorized by R.R. and C.R. to "act on [their] behalf with respect to their claim"; and

IT FURTHER APPEARING that, on or about December 21, 2012, Citron sent NJM a letter in which he stated that R.R. and C.R. had incurred \$2,800 in damages from "food spoilage" resulting from "lack of power... due to the wind blowing down the pole and wires"; and

IT FURTHER APPEARING that, on or about December 31, 2012, Citron contacted NJM and stated that he had spoken with Jersey Central Power & Light regarding the power loss in the home of R.R. and C.R.; and

IT FURTHER APPEARING that on or about January 28, 2013, Citron sent NJM a letter in which he stated that he would be supplying "various estimates for the damages to the dwelling

both exterior and interior and the personal property" and that NJM's "adjuster missed several items in his appraisal"; and

IT FURTHER APPEARING that Citron also stated that R.R. and C.R. "suffered a loss of food due to spoilage totaling \$3,100"; and

IT FURTHER APPEARING that, on or about January 30, 2013, Citron contacted NJM and disputed the amount and cause of the damages to the home of R.R. and C.R.; and

IT FURTHER APPEARING that, by acting or aiding on behalf of R.R. and C.R. in negotiating for, or effecting the settlement of claims for loss or damages caused by, or resulting from any incident covered under a property insurance policy, in exchange for money, Citron acted as a public adjuster, as defined in N.J.S.A. 17:22B-2, without being licensed to do so, in violation of N.J.S.A. 17:22B-3a and 17:22A-40a(2) and (8); and

#### COUNT 4

IT FURTHER APPEARING that, on or about October 27, 2012, in anticipation of Superstorm Sandy, R.R. shut the electricity off in his home; and

IT FURTHER APPEARING that R.R. did not return to his home until November 4, 2012; and

IT FURTHER APPEARING that, on or about November 26, 2012, a NJM adjuster took photos of the home of R.R. and C.R.,



which showed that the power lines and pole were not blown down during Superstorm Sandy; and

IT FURTHER APPEARING that, by falsely stating to NJM that R.R. and C.R. had suffered food spoilage damages resulting from "lack of power... due to the wind blowing down the pole and wires", Citron made a written or oral statement as part of or in support of a claim for payment or other benefit pursuant to an insurance policy, knowing that the statement contained false or misleading information concerning any fact or thing material to the claim, in violation of N.J.S.A. 17:33A-4a(1); and

**COUNT 5**

IT FURTHER APPEARING that, on March 24, 2014, the Louisiana Department of Insurance issued a Notice of Fine for Citron ("Notice"); and

IT FURTHER APPEARING that the Notice fined Citron \$250.00 for failing to disclose the revocation of his New York insurance producer license on his September 11, 2001 Louisiana insurance agent license application; and

IT FURTHER APPEARING that, by failing to disclose the revocation of his New York insurance license on his Louisiana insurance agent license application, Citron intentionally withheld material information or made a material misstatement in an application for a license, in violation of N.J.S.A. 17:22A-40a(2), (8) and (15); and

**COUNT 6**

IT FURTHER APPEARING that Citron failed to notify the Department within 30 days of the issuance of the Notice and disciplinary action by the Louisiana Department of Insurance, in violation of N.J.S.A. 17:22A-40a(2), (8) and (19) and N.J.S.A. 17:22A-47a; and

**COUNT 7**

IT FURTHER APPEARING that, on February 5, 2015, the New Jersey State Grand Jury returned Indictment SGJ664-15-9 ("Indictment") against Citron; and

IT FURTHER APPEARING that the Indictment charged Citron with Insurance Fraud and Attempted Theft By Deception, in the amount of \$2,800; and

IT FURTHER APPEARING that Citron failed to notify the Department within 30 days of his indictment, in violation of N.J.S.A. 17:22A-40a(2), (8) and (18); and

**COUNT 8**

IT FURTHER APPEARING that, on or about July 15, 2015, Citron completed and submitted an insurance producer renewal application; and

IT FURTHER APPEARING that, in response to "Have you been convicted of a felony... or are you currently charged with committing a felony, which has not been previously reported to this insurance department", Citron answered "No"; and

IT FURTHER APPEARING that, by falsely stating that he had not been charged with committing a felony on his insurance producer renewal application, Citron intentionally withheld material information or made a material misstatement in an application for a license, in violation of N.J.S.A. 17:22A-40a(2), (8) and (15); and

NOW, THEREFORE, IT IS on this 10<sup>TH</sup> day of SEPTEMBER 2015:

ORDERED that Citron appear and show cause why the New Jersey insurance producer license issued to him should not be suspended or revoked by the Commissioner and why Citron should not be fined up to \$5,000.00 for the first violation of the Producer Act and not more than \$10,000.00 for the second and each subsequent violation, pursuant to N.J.S.A. 17:22A-40 and - 45c; and

IT IS FURTHER ORDERED that Citron appear and show cause why he should not be fined up to \$2,500.00 for the first violation of the Public Adjusters' Act and not more than \$5,000.00 for the second and each subsequent violation, pursuant to N.J.S.A. 17:22B-17; and

IT IS FURTHER ORDERED that Citron appear and show cause why he should not be fined up to \$5,000.00 for the first violation of the Fraud Act, not more than \$10,000.00 for the

second violation and not more than \$15,000.00 for the third and each subsequent violation, pursuant to N.J.S.A. 17:33A-5c; and

IT IS FURTHER ORDERED that Citron appear and show cause why he should not be subject to additional penalties including reimbursement of the costs of investigation, prosecution, including attorneys' fees, and restitution authorized pursuant to the provisions of N.J.S.A. 17:22A-45c, 17:22B-17 and N.J.S.A. 17:33A-5; and


IT IS FURTHER ORDERED that Citron appear and show cause why he should not be subject to the statutory insurance fraud surcharge, pursuant to N.J.S.A. 17:33A-5.1; and

IT IS PROVIDED that Citron has 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 the licensee and the Commissioner shall dispose of this matter in accordance with the 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, New Jersey 08625, or by faxing the hearing 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 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 licensee has no specific knowledge regarding a fact alleged in the 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.

  
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PETER L. HARTT  
Director of Insurance