

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 and)	ORDER
revoke the insurance producer)	TO
licenses of Solomon Weinstein,)	SHOW
Reference No. 8205388, and)	CAUSE
American Agency Insurance)	
Services Inc., Reference No.)	
9473028.)	

TO: American Agency Services Inc.	Solomon Weinstein
c/o Solomon Weinstein	2643 Haddonfield Road
2643 Haddonfield Road	Pennsauken, NJ 08110
Pennsauken, NJ 08110	

This matter, having been opened by Kenneth E. Kobylowski, Commissioner, New Jersey Department of Banking and Insurance ("Commissioner"), upon information that Solomon Weinstein, doing business as S Weinstein Agency, and American Agency Insurance Services Inc. ("American" and, collectively with Weinstein, "Respondents"), currently licensed as resident individual insurance producers, pursuant to N.J.S.A. 17:22A-32, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondents are 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-40a(2), an insurance producer shall not violate any insurance law or regulation; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(8), an insurance producer shall not use fraudulent, coercive, or dishonest 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. 17:33A-4a(3), a person violates the Fraud Act if they conceal or knowingly fail to disclose the occurrence of an event which affects any person's initial or continued right or entitlement to any insurance benefit or payment or 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 if they prepare or make any written or oral statement, intended to be presented to any insurance company or producer for the purpose of obtaining an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to an insurance application or contract; and

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING that, at all times relevant hereto, Respondent Weinstein has been the president, sole owner, and designated responsible licensed producer of American; and

IT FURTHER APPEARING that, on June 23, 2010, the State of New Jersey issued a driver's license to Respondent Weinstein's daughter, Jessica; and

IT FURTHER APPEARING that, at all times relevant hereto, Jessica did not have her own automobile insurance policy; and

IT FURTHER APPEARING that, at all times relevant hereto, Jessica was the primary operator of Respondent Weinstein's 2001 Toyota Camry CE ("Camry"); and

IT FURTHER APPEARING that, in September 2011, Jessica began attending college in Providence, Rhode Island; and

IT FURTHER APPEARING that, at all times relevant hereto, Respondent Weinstein's Camry was garaged in Providence, Rhode Island; and

IT FURTHER APPEARING that, on or about November 11, 2011, Respondent Weinstein, through Respondent American, submitted a New Jersey Personal Auto Application ("Application") to Travelers Auto Insurance Company of New Jersey ("Travelers") to insure the Camry; and

IT FURTHER APPEARING that, on the Application, Respondents listed the applicant's name and mailing address as "SOL WEINSTEIN 2643 HADDONFIELD RD"; and

IT FURTHER APPEARING that, on the Application, when asked "GARAGE LOCATION IF DIFF FROM ABOVE", Respondents did not list a different garaging address; and

IT FURTHER APPEARING that, on the Application, Respondents listed three vehicles to be insured: a 1995 Chevrolet Tahoe; a 1981 Chevrolet C20; and the Camry; and

IT FURTHER APPEARING that, on the Application, when asked for "RESIDENT & DRIVER INFORMATION... List all residents & dependents (licensed or not) and regular operators," Respondents listed only Respondent Weinstein; and

IT FURTHER APPEARING that the Application asks if "ANY CAR [is] KEPT AT SCHOOL" and requires the applicant "EXPLAIN ALL 'YES' RESPONSES IN REMARKS"; and

IT FURTHER APPEARING that, in the 'Remarks' Section, Respondents did not disclose, or list any information that would indicate that, the Camry was being kept by Jessica at her college; and

IT FURTHER APPEARING that, on or about November 11, 2011, Respondent Weinstein signed the application as both the applicant and in his capacity as the president of Respondent American; and

IT FURTHER APPEARING that, on or about November 11, 2011, Respondents also completed an Applicant Certification ("Certification") in connection with the Application; and

IT FURTHER APPEARING that the Certification stated that "I certify that all person(s) living outside of my household who regularly use any of the vehicle(s) to be insured are listed on this application for insurance unless they maintain their own automobile insurance"; and

IT FURTHER APPEARING that Respondent Weinstein signed the Certification as both the applicant and in his capacity as president of Respondent American; and

IT FURTHER APPEARING that Travelers issued Respondent Weinstein a policy, ending in 1051 ("Policy"), with a policy period from December 12, 2011 to December 12, 2012, relying upon the application submitted by Respondents; and

IT FURTHER APPEARING THAT on or about December 12, 2012, the Policy automatically renewed, with a policy period from December 12, 2012 to December 12, 2013; and

IT FURTHER APPEARING that, on or about March 5, 2013, Jessica was involved in a motor vehicle accident in Providence, Rhode Island, while driving the insured Camry; and

IT FURTHER APPEARING that, neither Jessica nor Respondent Weinstein submitted a claim to Travelers in relation to this accident; and

IT FURTHER APPEARING that, on or about November 18, 2013, Respondent Weinstein contacted Travelers and informed it that Jessica would be temporarily taking the insured Camry to school in Providence, Rhode Island; and

IT FURTHER APPEARING that, on or about December 20, 2013, a Department investigator contacted Jessica regarding her use of the insured Camry; and

IT FURTHER APPEARING that, on or about December 21, 2013, Jessica responded via e-mail, stating that she "took the 2001 Toyota Camry to the university in Rhode Island 2 and a half years ago, when [she] began attending Johnson and Wales university"; and

IT FURTHER APPEARING that Jessica further stated "No" in response to whether she had any auto insurance as a driver under any other policy than Respondent Weinstein's Policy; and

IT FURTHER APPEARING that, after the Department investigator contacted Jessica, Respondents retroactively added Jessica to the Policy, and Respondent Weinstein paid Travelers backdated premiums; and

COUNT 1 (Fraud Act)

IT FURTHER APPEARING that, in failing to disclose Jessica as an operator of the vehicle to be insured on the Application, Respondents prepared or made a written statement, intended to be presented to an insurance company for the purpose of obtaining an insurance policy, knowing that the statement contained any false or misleading information concerning any fact or thing material to an insurance application or contract, in violation of N.J.S.A. 17:33A-4a(4)(b); and

IT FURTHER APPEARING that, by failing to explain that Jessica had the insured Camry at college in Rhode Island, in response to is "ANY CAR KEPT AT SCHOOL", Respondents prepared or made a written statement, intended to be presented to an insurance company for the purpose of obtaining an insurance policy, knowing that the statement contained any false or misleading information concerning any fact or thing material to an insurance application or contract, in violation of N.J.S.A. 17:33A-4a(4)(b); and

IT FURTHER APPEARING that, in stating on the Application that the insured Camry was garaged in Pennsauken, NJ, when it was garaged in Providence, Rhode Island, Respondents prepared or made a

written statement, intended to be presented to an insurance company for the purpose of obtaining an insurance policy, knowing that the statement contained any false or misleading information concerning any fact or thing material to an insurance application or contract, in violation of N.J.S.A. 17:33A-4a(4) (b); and

COUNT 2 (Producer Act)

IT FURTHER APPEARING that, in failing to disclose Jessica, failing to disclose that Jessica had the insured Camry at college, and misrepresenting the garaging location of the Camry on the Application, Respondents used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of insurance business in this State or elsewhere, in violation of N.J.S.A. 17:22A-40a(2) and (8); and

IT FURTHER APPEARING that, in failing to disclose Jessica regularly drove the Camry, failing to disclose that Jessica had the Camry at college, and misrepresenting the garaging location of all three vehicles on the Application, Respondents committed a fraudulent act, in violation of N.J.S.A. 17:22A-40a(2) and (16); and

COUNT 3 (Fraud Act)

IT FURTHER APPEARING that, by stating on the Certification that all persons living outside of Respondent Weinstein's house who regularly used any of the vehicles to be insured were listed on he application for insurance unless they maintained their own automobile insurance when, in fact, Jessica was not disclosed and not insured, Respondents prepared or made a written statement, intended to be presented to an insurance company for the purpose of obtaining an insurance policy, knowing that the statement contained any false or misleading information concerning any fact or thing

material to an insurance application or contract, in violation of N.J.S.A. 17:33A-4a(4)(b); and

COUNT 4 (Producer Act)

IT FURTHER APPEARING that, by stating on the Certification that all persons living outside of Respondent Weinstein's house who regularly used any of the vehicles to be insured were listed on the application for insurance unless they maintain their own automobile insurance when, in fact, Jessica was not disclosed and not insured, Respondents used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of insurance business in this State or elsewhere, in violation of N.J.S.A. 17:22A-40a(2) and (8); and

IT FURTHER APPEARING that, by stating on the Certification that all persons living outside of Respondent Weinstein's house who regularly used any of the vehicles to be insured were listed on the application for insurance unless they maintain their own automobile insurance when, in fact, Jessica was not disclosed and not insured, Respondents committed a fraudulent act, in violation of N.J.S.A. 17:22A-40a(2) and (16); and

NOW, THEREFORE, IT IS on this 30TH day of JANUARY, 2015

ORDERED that Respondents appear and show cause why the New Jersey insurance producer licenses issued to them should not be revoked by the Commissioner and why they should not each be fined up to \$5,000 for the first violation and not more than \$10,000 for the second and each subsequent violation of the Producer Act, pursuant to N.J.S.A. 17:22A-40 and N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED that Respondents appear and show cause why they should not each be fined up to \$5,000 for the first violation, up to \$10,000 for the second violation, and up to

\$15,000 for the third and each subsequent violation of the Fraud Act, pursuant to N.J.S.A. 17:33A-5c; and

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


IT IS FURTHER ORDERED that Respondents appear and show cause why they should not be subject to a surcharge in the amount of \$1,000, pursuant to N.J.S.A. 17:33A-5.1; 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 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.



PETER L. HARTT
Director of Insurance