

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 Jonathan Galea, )  
Reference No. 1234454, Mr. GZ Bail Bonds, )  
Reference No. 1305257, and Touch the Town )  
Bail Bonds, LLC, Reference No. 1523694. )

ORDER  
TO SHOW CAUSE

TO: Jonathan Galea  
12 Whitehaven Drive  
Lumberton, New Jersey 08048

Touch the Town Bail Bonds, LLC  
c/o Jonathan Galea  
12 Whitehaven Drive  
Lumberton, New Jersey 08048

Mr. GZ Bail Bonds  
c/o Jonathan Galea  
1632 Route 38E  
Lumberton, New Jersey 08048

This matter, having been opened by the Commissioner of Banking and Insurance, State of New Jersey (“Commissioner”), upon information that Jonathan Galea (“Galea”), Mr. GZ Bail Bonds (“GZ Bail”) and Touch the Town Bail Bonds, LLC (“Town Bail”) (collectively, “Respondents”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Galea is licensed as a resident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32(a); and

WHEREAS, GZ Bail was licensed as a resident business entity insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32(b) until its license expired on May 31, 2019; and

WHEREAS, Town Bail was licensed as a resident business entity insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32(b) until its license expired on May 31, 2017; and

WHEREAS, Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 (“Producer Act” ), the Producer Licensing regulations promulgated thereunder, N.J.A.C. 11:17-1.1 to -2.17, and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(d), 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

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(4), an insurance producer shall not improperly 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-40(a)(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 in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(16), an insurance producer shall not commit any fraudulent act; 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 relative to the business of insurance within the time requested in said inquiry, or no later 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-2.1(a), all premium funds shall be held by an insurance producer in a fiduciary capacity and shall not be misappropriated, improperly converted to the insurance producer's own use, or illegally withheld by the licensee; and

WHEREAS, pursuant to N.J.A.C 11:17C-2.3 (a), an insurance producer shall establish and maintain a trust account into which shall be deposited cash, checks and other instruments payable to the insurance producer; and

WHEREAS, pursuant to N.J.A.C 11:17C-2.4(a), an insurance producer shall issue a receipt for each premium for any payment, premium deposit or installment payment which is submitted and shall maintain a copy of each receipt issued, and the receipt shall be furnished at the time payment is tendered; and

WHEREAS, pursuant to N.J.A.C 11:17C-2.4(b), each receipt and receipt book maintained by an insurance producer shall: (2) be clearly signed by the insurance producer or his or her authorized employee, and the name of the insurance producer shall be typed or legibly printed

below the signature; (5) indicate the name, address and telephone number of the insurance agency; and (8) indicate the purpose of the payment if it is other than a premium payment; and

WHEREAS, pursuant to N.J.A.C 11:17C-2.5, an insurance producer shall (a) maintain accurate books and records reflecting all insurance-related transactions in which the insurance producer or his employees take part in accordance with the standards set forth in this chapter, and such books and records shall include, but not be limited to, the following: (b) a register of all monies received, deposited, disbursed or withdrawn in connection with an insurance transaction and (h) a file for each client or customer; and

WHEREAS, pursuant to N.J.A.C 11:17C-2.6, an insurance producer shall (a) maintain all required books and records of account for a period of five years after the termination of coverage, and (b) all records, books and documents required to be maintained by the provisions of this chapter shall be produced for examination upon request by the Commissioner or his or her duly authorized representatives; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty for violating the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating the Producer Act is subject to a penalty of up to \$5,000.00 for the first offense and up to \$10,000.00 for each subsequent offense; additionally, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

## ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that at all relevant times, Galea was the sole owner, officer and Designated Responsible Licensed Producer of two different bail bond insurance agencies, GZ Bail and Town Bail; and

IT FURTHER APPEARING, that on or about September 25, 2015, “P.W.,” a client, retained Galea and GZ Bail to issue a surety bond on behalf of P.W.’s brother, and authorized a credit card payment in the amount of \$5,000, which included a \$2,000 payment for the bail bond collateral and \$3,000 payment for the bail bond premium; and

IT FURTHER APPEARING, that despite having been retained to provide bail bond services through GZ Bail, Galea provided the surety bond on behalf of P.W.’s brother through Town Bail, which was done without P.W.’s knowledge or consent; and

IT FURTHER APPEARING, in or about June 2018, the surety bond issued by Town Bail was satisfactorily discharged by the court and P.W. then demanded that Respondents refund the \$2,000 payment made to Galea and GZ Bail as bail collateral; and

IT FURTHER APPEARING, that on several occasions Respondents refused P.W.’s demands for a refund of the \$2,000 bail collateral payment and thereafter P.W. requested that the Department of Banking and Insurance (“DOBI”) intervene on his behalf; and

IT FURTHER APPEARING, that on or about November 11, 2018, as a direct result of DOBI’s intervention, Galea then fully refunded to P.W. the bail collateral payment via Check No. 491 issued from his personal bank account rather than from Respondents’ business trust accounts; and

**COUNT ONE**

IT FURTHER APPEARING, that Respondents failed to maintain and deposit the \$2,000 bail bond collateral payment into a qualified trust account, but instead converted and misappropriated the monies received from P.W. by depositing said funds into Galea's personal bank account for his own use and purposes, in violation of N.J.S.A. 17:22A-40(a)(2), (4), (8) and (16), and N.J.A.C. 11:17C-2.1 and 2.3(a); and

**COUNT TWO**

IT FURTHER APPEARING, that upon having received the \$2,000 bail bond collateral payment from P.W., Respondents failed to issue to P.W. a written receipt containing the Respondents' signatures and fully setting forth all the information required to record the business transactions between P.W. and Respondents, including but limited to, the purpose for the credit card payment, in violation of N.J.A.C. 11:17C-2.4 (a) and (b); and

**COUNT THREE**

IT FURTHER APPEARING, that Respondents failed to timely appear before DOBI investigators to answer inquiries regarding this matter and failed to produce all requested bank records, receipt books and other records required to be maintained and preserved relating to their bail bond businesses, including but not limited to, the records regarding the bail bond transaction with P.W., in violation of N.J.A.C. 11:17A-4.8, and N.J.A.C 11:17C-2.5 and 2.6; and

**NOW, THEREFORE, IT IS on this 4th day of January, 2021,**

ORDERED, that Respondents appear and show cause why their New Jersey insurance producer licenses should not be suspended or revoked pursuant to N.J.S.A. 17:22A-40(a); and

IT IS FURTHER ORDERED, that Respondents appear and show cause why the Commissioner should not assess a joint and several civil penalty of up to \$5,000 for the first

violation and up to \$10,000 for each subsequent violation of the Producer Act and order Respondents to pay restitution of moneys owed to any person, pursuant to N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondents appear and show cause why, in addition to any other penalty, they should not be required to reimburse the Department for the costs of the investigation and prosecution as authorized by N.J.S.A. 17:22A-45(c); and

IT IS PROVIDED, that Respondents have right to request an administrative hearing, to be represented by counsel or other qualified representative, at their 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, New Jersey 08625, or by faxing the hearing request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Dakar R. Ross, Deputy Attorney General, Department of Banking and Insurance, P.O. Box 117, Trenton, New Jersey 08625. The request from each respondent shall contain the following:

- A. Respondent's full 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 Respondent 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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Marlene Caride  
Commissioner