

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)
license of Ryan P. Cataldo,)
Reference No. 1060835)

CONSENT
ORDER

TO: Ryan P. Cataldo
30 Cherry Street
Tinton Falls, New Jersey 07724-2607

Ryan P. Cataldo
18295 SE Ridgeview Drive
Jupiter, Florida 33469

THIS MATTER, having been opened to the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Ryan P. Cataldo ("Respondent" or "Cataldo") may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was licensed as a resident insurance producer, pursuant to N.J.S.A 17:22A-32, until his license expired on August 31, 2013; and

WHEREAS, the Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq. (the "Producer Act"); and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(5), an insurance producer shall not intentionally misrepresent the terms of an actual or proposed insurance contract, policy or application for insurance; 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 the 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-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 even if the person's license has been surrendered or has lapsed by operation of law; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.10, an insurance producer shall act in a fiduciary capacity in the conduct of his or her insurance business; and

WHEREAS, pursuant to N.J.A.C. 11:4-2.3, an insurance producer who initiates an application shall submit to the

insurer, with or as part of the application, a statement signed by both the applicant and the producer as to whether the applicant has existing policies or contracts; and

IT APPEARING that the Commissioner issued and served an Order to Show Cause No. E16-23 on July 5, 2016, alleging violations of the New Jersey insurance laws by Respondent Ryan P. Cataldo, as follows:

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING that, at all relevant times, Cataldo was an agent for Guardian Life Insurance Company of America ("Guardian") until his agency relationship was terminated for cause by Guardian on or about April, 2010; and

IT FURTHER APPEARING that, at all relevant times, Cataldo was an agent for John Hancock Insurance Company ("John Hancock"); and

IT FURTHER APPEARING that on or about April 28, 2009, Cataldo sold, solicited or negotiated a Guardian whole life insurance policy to I.S.; and

IT FURTHER APPEARING that on the application for the Guardian whole life insurance policy signed on April 28, 2009, Cataldo listed I.S.'s earned income at \$51,000.00 and I.S.'s net worth as \$473,000.00; and

IT FURTHER APPEARING that on or about April 28, 2009, Steven Giuliano and Cataldo submitted I.S.'s life insurance application with Authorization to Obtain and Release Information to Guardian for a whole life insurance policy for I.S.; and

IT FURTHER APPEARING that Guardian issued I.S.'s whole life insurance policy ending in

#4255 on July 27, 2009 with a death benefit of \$900,000.00 and an effective date of August 1, 2009; and

IT FURTHER APPEARING that on or about September 23, 2009, Cataldo sold, solicited or negotiated a John Hancock Life Insurance Company ("John Hancock") whole life insurance policy to I.S.; and

IT FURTHER APPEARING that Cataldo represented on the John Hancock life insurance application, signed on September 23, 2009, that I.S.'s gross annual earned income was \$110,000.00; that I.S.'s gross annual unearned income was \$55,000.00 and that I.S.'s household net worth was \$2,500,000.00, without I.S.'s knowledge and consent; and

IT FURTHER APPEARING that on or about September 23, 2009, Cataldo submitted I.S.'s life insurance application to John Hancock for a whole life insurance policy with a death benefit of approximately \$2,000,000.00; and

IT FURTHER APPEARING that John Hancock issued I.S.'s whole life insurance policy for \$2,000,000.00 ending in #7420; and

IT FURTHER APPEARING that on or about September 30, 2009, Cataldo submitted a Life Insurance Change Request form to Guardian for I.S. to change the Guardian whole life policy ending in #4255 on I.S.'s life to a yearly renewable term life insurance policy with a death benefit of \$100,000.00; and

IT FURTHER APPEARING that Guardian issued I.S.'s yearly renewable term life insurance policy ending in #7539 with an effective date of October 8, 2009; and

IT FURTHER APPEARING that Cataldo was paid the annual commission from Guardian on I.S.'s whole life insurance policy ending in #2455; and

IT FURTHER APPEARING that Cataldo was paid the annual commission from John Hancock on I.S.'s whole life insurance policy ending in #7420; and

COUNT 1

IT FURTHER APPEARING that, on or about April 28, 2009, Cataldo provided false income information on the Guardian insurance application by stating inaccurate income and wealth information for I.S., which was provided to the insurer in violation of N.J.S.A. 17:22A-40a(2), (5), (8) and (16) and N.J.A.C. 11:17A-4.10; and

COUNT 2

IT FURTHER APPEARING that, on or about September 23, 2009, Cataldo provided false income information on the John Hancock insurance application by stating inaccurate income and wealth information for I.S., which was provided to the insurer in violation of N.J.S.A. 17:22A-40a(2), (5), (8) and (16) and N.J.A.C. 11:17A-4.10; and

COUNT 3

IT FURTHER APPEARING that, on or about September 23, 2009, Cataldo failed to disclose on the Guardian Life Insurance Change Request form and Agent's Certification that there was an existing insurance policy on I.S.'s life in violation of N.J.S.A. 17:22A-40a(2), (5), (8) and (16), N.J.A.C. 11:17A-4.10 and N.J.A.C. 11:4-2.3; and

IT FURTHER APPEARING that on or about August 1, 2016, Respondent Ryan P. Cataldo served a proposed answer to the charges of the Order to Show Cause; however, the proposed answer was not in accord with N.J.A.C. 11:17D-2.1; and

IT FURTHER APPEARING that Respondent Ryan P. Cataldo admits and agrees to take responsibility for the violations contained in Count 1, Count 2 and Count 3 in the Order to Show Cause; and

IT FURTHER APPEARING that Respondent Ryan P. Cataldo has waived his right to a hearing on the aforementioned violations, consents to the payment of a fine to the Department in the amount of \$2,750.00 and further consents to the revocation of his expired insurance producer license; and

IT FURTHER APPEARING that this matter should be resolved upon the consent of the parties without resort to a formal hearing.

NOW, THEREFORE, IT IS on this 2nd day of November, 2016,

ORDERED AND AGREED that Respondent Ryan P. Cataldo admits to the charges contained in Count 1, Count 2 and Count 3 in Order to Show Cause No. E16-63; and

IT IS FURTHER ORDERED AND AGREED that, pursuant to N.J.S.A. 17:22A-40, the expired resident insurance producer license of Respondent Ryan P. Cataldo is hereby REVOKED effective upon the execution of this Consent Order by the Commissioner or his designee; and

IT IS FURTHER ORDERED AND AGREED that, pursuant to N.J.S.A. 17:22A-45c, Respondent Ryan P. Cataldo shall pay a fine of \$2,750.00 to the Department for violations admitted herein and described in the Order to Show Cause No. E16-63; and

IT IS FURTHER ORDERED AND AGREED that said fine shall be paid by certified check, cashier's check, money order or other certified funds made payable to the "State of New Jersey - General Treasury," due and payable in full immediately upon execution of this Consent Order by Respondent Ryan P. Cataldo; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the fine of \$2,750.00 shall be remitted to:

Carl M. Bornmann, Deputy Attorney General
State of New Jersey, Division of Law
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 117
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED that the provisions of this Consent Order represent a final agency decision and constitute final resolution of only the violations contained in Order to Show Cause No. E16-63 related to Respondent Ryan P. Cataldo; and

IT IS FURTHER ORDERED AND AGREED that Respondent Ryan P. Cataldo shall cease and desist from engaging in the conduct that gave rise to this Consent Order.



PETER L. HARTT
Director of Insurance

Consented to as to Form,
Content and Entry:

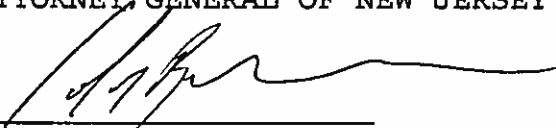


Ryan P. Cataldo

Date: 10/20/16

Date: 11/1/16

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY



By: Carl M. Bornmann
Deputy Attorney General
Attorney for the New Jersey
Dept. of Banking and Insurance