

CONSENT ORDER NO. E16-107

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

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Proceedings by the Commissioner )  
of Banking and Insurance, State )  
of New Jersey, to fine, )  
suspend, and/or revoke the )  
public adjuster licenses of )  
Alliance Adjustment Group, )  
Inc., Reference No. 0070074, )  
and James M. Wagner, Reference )  
No. 0070075 )

**CONSENT ORDER**

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TO: Alliance Adjustment Group, Inc.  
263 North Main Street  
Doylestown, PA 18901

James M. Wagner  
4742 Essex Drive  
Doylestown, PA 18902

THIS MATTER, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Alliance Adjustment Group, Inc. ("AAG") and James M. Wagner ("Wagner") (collectively "Respondents") licensed as public adjusters pursuant to N.J.S.A. 17:22B-1 et seq., 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 Public Adjusters' Licensing Act, N.J.S.A. 17:22B-1 et seq. ("Public Adjusters' Act"); and

WHEREAS, pursuant to N.J.S.A. 17:22B-14a(1), the Commissioner may refuse to issue or renew a license, or suspend or revoke any adjuster's license if the licensee, or any sublicensee named in the license has violated any provision of the insurance law, including any rules promulgated by the Commissioner, or has violated any law in the course of his, or its, dealings as an adjuster; and

WHEREAS, pursuant to N.J.S.A. 17:22B-14a(2), the Commissioner may refuse to issue or renew a license, or suspend or revoke any adjuster's license if the licensee, or any sublicensee named in the license has withheld material information or made a material misstatement in the application for the license; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.14(a)2, the Commissioner may suspend, revoke, or refuse to renew a public adjuster's license if the public adjuster has violated any law in the course of acting as a public adjuster; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.14(a)6, the Commissioner may suspend, revoke, or refuse to renew a public adjuster's license if the public adjuster has withheld material

information or made a material misstatement in the application for the license; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.14(a)11, the Commissioner may suspend, revoke, or refuse to renew a public adjuster's license if the public adjuster has failed to appear in response to any subpoena issued by the Commissioner or his authorized designee; failed to produce any documents or other material requested in a subpoena; or refused or failed to cooperate with an investigation by the Commissioner of the activities of the person or any other licensee; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.14(b), any person who violates any provision of this subchapter shall, in addition to any other penalties provided by law, be liable for a civil penalty of not more than \$ 2,500 for a first offense and not more than \$ 5,000 for the second and each subsequent offense. Each transaction or statutory violation shall constitute a separate offense; and

IT APPEARING that, on or about January 17, 2014, the Commissioner issued Subpoena No. 14-01 to Respondent AAG, attention to Respondent Wagner; and

IT FURTHER APPEARING that Subpoena No. 14-01 commanded production of various contracts, claims and files concerning insureds; and

IT FURTHER APPEARING that every licensed public adjuster is required to maintain accurate files, books and records, for all insurance-related transactions, in such a manner that they can be produced for examination at any time, including a "...register of all monies received, deposited, disbursed or withdrawn in connection with a transaction with an insured, including, but not limited to: fees, transfers and disbursements from a trust account; and all transactions concerning, including the balance of, all interest bearing accounts" pursuant to N.J.A.C. 11:1-37.12.

IT FURTHER APPEARING that Respondents failed to produce the following information requested in Subpoena No. 14-01: a) the total amount paid on each claim by the insurance carrier, and b) the total amount of fees paid to Respondent AAG on each transaction, constituting violations of N.J.A.C. 11:37.14(a)2 and 11; and

IT FURTHER APPEARING that, on August 11, 2011, Respondents entered into a consent order with the Insurance Commissioner of the Commonwealth of Pennsylvania, Docket No. CO11-03-019, and were assessed a fine of \$4,000.00; and

IT FURTHER APPEARING that, on or about September 18, 2012, Respondents each submitted a Public Adjuster License

Renewal Form ("Renewal Form") to the New Jersey Department of Banking and Insurance ("Department"); and

IT FURTHER APPEARING that the Renewal Form asked whether the applicant had received any civil penalty or fine during the last license period, to which Respondents both answered "No"; and

IT FURTHER APPEARING that, on or about November 1, 2012, Respondents submitted renewal applications to the Department for their public adjuster licenses; and

IT FURTHER APPEARING that each renewal application asked whether the applicant had been named or involved in an administrative proceeding that had not been previously reported to the Department, to which Respondents both answered "NO"; and

IT FURTHER APPEARING that Respondents made material misstatements while completing renewal applications for their public adjuster licenses, in violation of N.J.S.A. 17:22B-14a(2) and (3), N.J.A.C. 11:1-37.14(a)6; and

IT FURTHER APPEARING that Respondents do not agree with the Department's assertions of violations in this Consent Order; and

IT FURTHER APPEARING that Respondents agree not to contest violations asserted in this Consent Order, and therefore cause does exist under Public Adjusters' Act and Department

regulations for the imposition of a fine upon Respondents for the violations described above; and

IT FURTHER APPEARING that Respondents admit and agree to take responsibility for the aforementioned violations of the Public Adjusters' Act and Department regulations; and

IT FURTHER APPEARING that Respondents have waived their right to a hearing on the above violations and consented to the payment, jointly and severally, of a fine totaling \$5,000.00; and

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

IT FURTHER APPEARING that good cause exists to enter into this Consent Order; and

NOW, THEREFORE, IT IS on this 15<sup>th</sup> day of November 2016

ORDERED AND AGREED that Respondents admit to the violations of the Public Adjusters' Act and the Department regulations as described above; and

IT IS FURTHER ORDERED AND AGREED that Respondents shall maintain accurate files, books and records, for all insurance-related transactions, in such a manner that they can be produced for examination at any time, including a "...register of all monies received, deposited, disbursed or withdrawn in

connection with a transaction with an insured, including, but not limited to: fees, transfers and disbursements from a trust account; and all transactions concerning, including the balance of, all interest bearing accounts" pursuant to N.J.A.C. 11:1-37.12; and

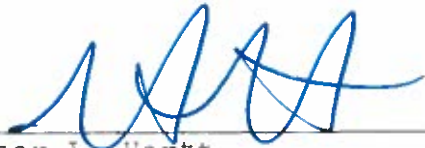
IT IS FURTHER ORDERED AND AGREED that Respondents shall pay civil penalties in the amount of \$5,000.00, jointly and severally, for the violations of the Public Adjusters' Act and Department regulations admitted to herein; and

IT IS FURTHER ORDERED AND AGREED that said civil penalties of \$5,000.00 shall be paid by certified check, cashier's check or money order made payable to the "**State of New Jersey, General Treasury,**" due and payable immediately upon the execution of this Consent Order by Respondents; and

IT IS FURTHER ORDERED AND AGREED that this signed Consent Order together with the payment of \$5,000.00 shall be remitted to:

Kevin J. McGowan, 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 the violations contained herein against Respondents.

  
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Peter L. Hartt  
Director of Insurance

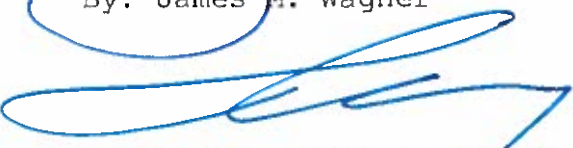
**Consented to as to Form, Content and Entry:**

  
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James M. Wagner, Producer

Date: 10/26/16

  
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Alliance Adjustment Group, Inc.  
By: James M. Wagner


Date: 10/26/16

  
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Thomas P. Donnelly, Esq.  
Attorney for Respondents

Date: 10/26/16

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the New Jersey  
Department of Banking and Insurance

Date: 11/1/16

  
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By: Kevin J. McGowan  
Deputy Attorney General