

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 Hudson Brice, Reference No.)
9469276, and Hudson Bail Bonds, LLC,)
Reference No. 1013408.)

ORDER
TO
SHOW CAUSE

TO: Hudson Brice
43 Berkely Rd.
Paulboro, N.J. 08093

Hudson Bail Bonds, LLC
200 Broadway
Westville, N.J. 08093

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Hudson Brice (“Brice”), and Hudson Bail Bonds, LLC (“HBB”) (collectively, “Respondents”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Brice is currently licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32a; and

WHEREAS, HBB is currently licensed as a resident business entity insurance producer pursuant to N.J.S.A. 17:22A-32b, with Brice serving as the designated responsible licensed producer (“DRLP”) of HBB; and

WHEREAS, Respondents are subject to the provisions of the New Jersey Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 (“Producer Act”), 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-40a(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-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 in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-32b(2), a DRLP is responsible for the business entity's compliance with the insurance laws, rules and regulations of this State; and

WHEREAS, pursuant to N.J.A.C. 11:17-2.3(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 under specified circumstances; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.3(i), an insurance producer's trust account balance shall at all times be at least equal to the amount deposited less lawful withdrawals, except where the sole reason for the deficiency is the failure by a bank to honor checks of insureds or prospective insureds accepted in good faith as payment of premium. If the balance is less than the amount deposited less lawful withdrawals, the insurance producer shall be deemed to be in violation and shall be subject to penalties as provided by N.J.A.C. 11:17C-1.3; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense; moreover, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

WHEREAS, on March 10, 2008, the New Jersey Department of Banking and Insurance ("Department") issued a Letter of Censure to Brice concerning a check he issued to Cutting Edge

Bail Bonds, LLC, on September 19, 2004, in the amount of \$4,315.00 which was returned for insufficient funds; and

WHEREAS, on February 26, 2015, the Commissioner and Respondents entered into a Consent Order in the amount of \$2,500.00 relating to Respondents' commingling of a client's funds and failure to maintain a trust account in violation of N.J.A.C. 11:17C-2.1(a) and (b) and N.J.A.C. 11:17C-2.3(i); and

IT APPEARING, that at all relevant times, Brice was the DRLP and CEO/President of HBB; and

IT FURTHER APPEARING, that at all relevant times, Brice and HBB were authorized agents of Bankers Insurance Company, a surety company ("Surety"); and

IT FURTHER APPEARING, that on December 17, 2014, a bail bond forfeiture judgment, Docket Number DJ-242574-14, was entered against HBB as an agent of the Surety and in favor of Greenwich Municipal Court in the amount of \$525.00, for an unsatisfied bail bond written by HBB for appearance of defendant C.M. in a criminal case; and

IT FURTHER APPEARING, that by Court Order dated December 19, 2014, the bail bond forfeiture judgment, Docket Number DJ-242574-14, was reduced to \$300.00; and

IT FURTHER APPEARING, that on December 19, 2014, the Clerk of Superior Court of New Jersey sent to the Surety a Notice of Preclusion from the New Jersey Surety Bond Registry ("State Bail Registry"), pursuant to Court Rule 1:13-3(e), for unsatisfied bail forfeiture judgments, including the unsatisfied judgment, Docket Number DJ-242574-14; and

IT FURTHER APPEARING, that on January 16, 2015, Respondents presented a check drawn on HBB's trust account in the amount of \$300.00 to the Gloucester County Superior Court to satisfy the judgment, Docket Number DJ-242574-14, listed in the Notice of Preclusion dated December 19, 2014; and

IT FURTHER APPEARING, that this check was returned due to insufficient funds; and

IT FURTHER APPEARING, that on February 5, 2015, the Clerk of Superior Court of New Jersey sent another Notice of Preclusion from the State Bail Registry, pursuant to Court Rule 1:13-3(e), for unsatisfied bail forfeiture judgments, including the bail bond forfeiture judgment, Docket Number DJ-242574-14; and

IT FURTHER APPEARING, that on February 20, 2015, Respondents satisfied the bail bond forfeiture judgment, Docket Number DJ-242574-14; and

IT FURTHER APPEARING, that Respondents attempted to satisfy a forfeiture judgment by presenting a check that was returned for insufficient funds, in violation of N.J.S.A. 17:22A-40a(2) and (8) and N.J.A.C. 11:17C-2.3(i); and

NOW, THEREFORE, IT IS on this 3rd day of October, 2018

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


IT IS FURTHER ORDERED, that Respondents appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act, pursuant to N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED, that Respondents appear and show cause why they should not be required to reimburse the Department for the cost of the investigation and prosecution, as authorized by N.J.S.A. 17:22A-45c; 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 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 mailed to Deputy Attorney General Garen Gazaryan to P. O. Box 117, Trenton, New Jersey 08625. The request 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 the 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 the hearing.



Peter I. Hart
Director of Insurance