

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)
Shannon Shaw, Reference No. 1303859)

)
)

FINAL ORDER

TO: Shannon Shaw
1 Church Street, Apt. 1
Glassboro, NJ 08028

THIS MATTER, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon issuance of Order to Show Cause No. E17-96 alleging that Respondent, Shannon Shaw ("Shaw"), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Shaw was licensed as a resident insurance producer, pursuant to N.J.S.A. 17:22A-32, until her license expired on July 31, 2015; and

WHEREAS, Shaw is 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"); 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 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-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(6), an insurance producer shall not be convicted of a felony or crime of the fourth degree or higher; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(18), an insurance producer shall not fail to notify the Commissioner within 30 days of his conviction of any crime, indictment or the filing of any formal criminal charges, or the suspension or revocation of any insurance license or authority by a state, other than this State, or the initiation of formal disciplinary proceedings in a state, other than this State, affecting the producer's insurance license; or fail to obtain the written consent pursuant to sections 1033 and 1034 of Title 18, United States Code (18 U.S.C. 1033 and 1034); or fail to supply any documentation that the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47b, within 30 days of the initial pretrial hearing date, an insurance producer shall report to the Commissioner any criminal prosecution of the producer taken in any jurisdiction, which report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person violating any provision of the Producer Act shall be liable 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, as appropriate; and

WHEREAS, the Commissioner issued Order to Show Cause E17-96 on October 20, 2017 alleging violations of New Jersey insurance laws by Shaw as set forth in the following Counts:

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that from November 8, 2013 through January 7, 2014, Respondent was employed as a licensed insurance producer at the Affordable Insurance Agency in Haddon Township (“Affordable Insurance”); and

IT FURTHER APPEARING, that one of Respondent’s duties at Affordable Insurance was to prepare applications for motor vehicle insurance coverage to be issued through the State of New Jersey’s Special Automobile Insurance Policy Program; and

IT FURTHER APPEARING, that from November 8, 2013 through January 7, 2014, Respondent electronically submitted 33 applications to the State for Special Automobile Insurance Policies, indicating that payment would be made, and thereby binding coverage for the insured; and

IT FURTHER APPEARING, that in each of these 33 transactions Respondent misappropriated the \$185.00 initial premium payment provided to her by the applicant instead of forwarding the premium payment to the State; and

IT FURTHER APPEARING, that on or about November 5, 2014, Respondent pleaded guilty by Accusation No. 3361-11-14 charging her with third-degree Insurance Fraud, in violation of N.J.S.A. 2C:21.4.6a(2); and

IT FURTHER APPEARING, that Respondent failed to notify the Commissioner within 30 days that she had been formally charged with a crime; and

COUNT ONE

IT FURTHER APPEARING, that on or about February 6, 2015, Respondent was convicted of third-degree Insurance Fraud, in violation of N.J.S.A. 2C:21.4.6a(2), and was sentenced to three years' probation, ordered to pay a \$1,000.00 penalty to the State, ordered to pay restitution to Affordable Insurance in the amount of \$6,105.00, and ordered to forfeit her insurance producer's license for five years, which conviction constitutes a violation of N.J.S.A. 17:22A-40a(6); and

COUNT TWO

IT FURTHER APPEARING, that Respondent failed to advise the Commissioner of the filing of formal charges and subsequent conviction within 30 days, in violation of N.J.S.A. 17:22A-40a(18) and N.J.S.A. 17:22A-47b; and

IT FURTHER APPEARING, that as set forth in the certification of service of Ryan S. Schaffer, Deputy Attorney General, attached hereto as Exhibit "A," Shaw was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to Order to Show Cause E17-96, which was duly served on Shaw by certified and regular mail to the address listed on this Final Order in accordance with N.J.A.C. 11:17D-2.1(a)3; and

IT FURTHER APPEARING, that Shaw failed to provide written responses to the charges contained in Order to Show Cause E17-96 within 20 days as provided by N.J.A.C. 11:17D-2.1(d)1, and therefore Shaw has waived her right to a hearing to contest these charges and the charges are deemed admitted, pursuant to N.J.A.C. 11:17D-2.1(b)1;

NOW, THEREFORE, IT IS on this ^{25th} day of , 2018;

ORDERED, that the charges contained in Counts One and Two of Order to Show Cause E17-96 are deemed admitted by Shaw, pursuant to N.J.A.C. 11:17D-2.1(b)1; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-40, and N.J.A.C. 11:17D-2.1(b)2, the resident insurance producer license of Shaw is hereby **REVOKED** effective upon the execution of this Final Order by the Commissioner; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c, Shaw shall pay a civil penalty in the amount of \$5,000.00 to the Commissioner; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c, Respondent shall be responsible for the reimbursement to the Department of the costs of investigation totaling \$900.00. A true and exact copy of the Certification of Jared Stewart, Department of Banking and Insurance Investigator, is attached hereto as Exhibit "B"; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c, Shaw shall make restitution of \$6,105.00 to Affordable Insurance and provide proof of payment to Commissioner; and

IT IS FURTHER ORDERED, that Respondent shall pay the above penalties and costs to the Commissioner of Banking and Insurance, State of New Jersey, P.O. Box 329, Trenton, New Jersey 08625, Attention: Virgil Downtin, Chief of Investigations, by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," within ten days from the date of service of this Order; and

IT IS FURTHER ORDERED, that in the event full payment of the penalty and costs is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid penalties, in accordance with the Penalty Enforcement Law of 1999, N.J.S.A. 2A:58-10 to -12; and

IT IS FURTHER ORDERED, that the civil penalty in this Final Order is imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and the

protection of the public health, safety and welfare, and is not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED, that the provisions of this Final Order represent a final agency decision and constitute a final resolution of the allegations contained in Order to Show Cause No. E17-96 as to Respondent Shannon Shaw.



Peter L. Hart
Director of Insurance

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GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Petitioner
Richard J. Hughes Justice Complex
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P. O. Box 117
Trenton, New Jersey 08625
Attorney for the Department

By: Ryan S. Schaffer
Deputy Attorney General
NJ Attorney ID No. 058152013
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Proceedings by the Commissioner)
of Banking and Insurance, State)
of New Jersey, to fine, suspend,)
and/or revoke the insurance)
producer license of Shannon)
Shaw, Reference No. 1303859)
_____)

**CERTIFICATION OF
RYAN S. SCHAFFER**

I, Ryan S. Schaffer, of full age, do of my own personal knowledge make the following statements by way of certification in lieu of affidavit pursuant to R. 1:4-4(b):

1. I am a Deputy Attorney General assigned as counsel for the New Jersey Department of Banking and Insurance ("Department") in the above matter. I submit this certification in support of the Department's request that a Final Order be entered against Respondent, Shannon Shaw ("Shaw"), and

specifically to establish that proper service of Order to Show Cause No. E17-96 was made upon Shaw.

2. The Commissioner issued Order to Show Cause No. E17-96 ("Order to Show Cause") on October 20, 2017.

3. By letter dated October 23, 2017, my office attempted to serve a copy of the Order to Show Cause on Shaw via regular and certified mail, return receipt requested, at the following residence and business address for Shaw on file with the Department: 50 Magnolia Avenue, Pitman, New Jersey.

4. The regular mail and certified mail were returned to this office as "Return to Sender - Not Deliverable As Addressed - Unable to Forward."

5. From public records searches, Department Investigator Jared Stewart obtained an alternative last known address for Shaw of: 1 Church Street, Apt. 1, Glassboro, New Jersey,

6. By letter dated November 28, 2017, my office served a copy of the Order to Show Cause on Shaw via regular and certified mail, return receipt requested, at: 1 Church Street, Apt. 1, Glassboro, New Jersey. (Attached as Exhibit 1 is a true and correct copy of the November 28, 2017 cover letter).

7. The regular mail sent on November 28, 2017 was not returned to this office.

8. The certified mail sent on November 28, 2017 was returned to this office as "unclaimed." (Attached as Exhibit 2

is a copy of the unclaimed Certified Mail envelope).

9. Pursuant to N.J.A.C. 11:17D-2.1(a), Shaw was lawfully served with the Order to Show Cause on November 28, 2017.

10. Shaw has not filed or otherwise provided an Answer to the Order to Show Cause with the 20 days provided by N.J.A.C. 11:17D-2.1(d)1. To date, Shaw has not filed an answer nor requested a hearing to contest the allegations set forth in Order to Show Cause No. E17-96.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



Ryan S. Schaffer

Dated: May 22, 2018

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State of New Jersey

OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
25 MARKET STREET
PO Box 117
TRENTON, NJ 08625-0117

CHRISTOPHER S. PORRINO
Attorney General

MICHELLE L. MILLER
Acting Director

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

November 28, 2017

Via Regular and Certified Mail

Shannon Shaw
1 Church Street, Apt 1
Glassboro, NJ 08028

Dear Ms. Shaw:

We represent the New Jersey Department of Banking and Insurance ("Department"). Enclosed, please find Order to Show Cause No. E17-96 issued by the Director of Insurance on October 20, 2017. The Order to Show Cause charges you with various violations of the insurance laws and regulations of the State of New Jersey, and orders you to appear and show cause as to why your insurance producer license should not be suspended or revoked, and why other administrative fines and costs should not be imposed against you.

You have the right to request an administrative hearing in regard to these allegations. Complete instructions on how to request a hearing are contained within the enclosed Order to Show Cause. Briefly here, a request for hearing must provide a specific statement responding to each charge alleged in the Order to Show Cause, specifically admit or deny each fact alleged in the Order to Show Cause, identify any facts of which you have no specific knowledge, and identify any defenses intended to be asserted in response to each charge. N.J.A.C. 11:17D-2.1(d). The request for hearing must be received by the Department within twenty (20) days of service of the Order to Show Cause upon you. The request for hearing should be sent to: Virgil Downtin, Chief of Investigations, Department of Banking



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and Insurance, P.O. Box 329, Trenton, New Jersey 08625; or, faxed to Mr. Downtin's attention at (609) 292-5337, with a copy to me. If you fail to respond to this Order to Show Cause within the time provided, a Final Order will be issued by the Commissioner.

Thank you for your attention to this matter.

Sincerely yours,

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY

By: 

Ryan S. Schaffer
Deputy Attorney General

Encls.

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STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
P.O. BOX 117
TRENTON NJ 08625-0117

Ryan S. Schaffer, DAG

CERTIFIED MAIL™



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Shannon Shaw
1 Church Street, Apt. 1
Glassboro, NJ 08028

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Attorney for Petitioner
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Attorney for the Department

By: Ryan S. Schaffer
Deputy Attorney General
NJ Attorney ID No. 058152013
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Proceedings by the Commissioner)
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Shaw, Reference No. 1303859)

**CERTIFICATION OF
JARED C. STEWART**

I, Jared C. Stewart, of full age, do of my own personal knowledge make the following statements by way of certification in lieu of affidavit pursuant to R. 1:4-4(b):

1. I am employed by the New Jersey Department of Banking and Insurance ("Department"), Enforcement Unit, and hold the title of Investigator.

2. This certification is submitted in support of the Department's application for reimbursement of its costs of investigation and prosecution of this matter, in accordance with N.J.S.A. 17:22A-45c.

3. On July 13, 2016, I was assigned responsibility for determining whether Respondent Shannon Shaw may have violated provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26, et seq. ("Producer Act").

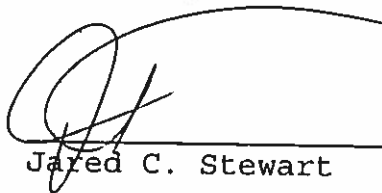
4. To determine the amount of time that I spent on the investigation and prosecution of the referenced licensed producer, I reviewed the files relative to this matter, including time records. On the basis of this review I have prepared the schedule of costs attached hereto as Exhibit "A."

5. As this schedule reflects, I spent a total of 18 hours on the investigation and prosecution of this matter.

6. Under N.J.A.C. 11:1-32.4(b)20, costs to the Department for the investigation and prosecution of violations of the Producer Act are reimbursable at the rate of \$50.00 per hour, rounded to the nearest quarter hour.

7. I therefore request that the Department's costs of investigation and prosecution be reimbursed in the amount of \$900.00.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



Jared C. Stewart

Dated: 5/22/18



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE
PO Box 329
TRENTON, NJ 08625-0329

PHIL MURPHY
Governor

MARLENE CARIDE
Acting Commissioner

SHEILA OLIVER
Lt. Governor

TEL (609) 292-5316
FAX (609) 292-5865

PETER L. HARTT
Director

Exhibit A

**RECORD OF TIME EXPENDED ON
INVESTIGATION AND/OR PROSECUTION**

Re: Shannon Shaw
Department File No.: 267906
Investigator: Jared C. Stewart

Date	Time in Hours	Phone	Case Prep	Comments
7/20/2016	2.0	X		Review complaint, contact complainant, review license, request documentation
7/20/2016	1.5	X	X	Phone calls to assistant prosecutor, production of report of contact
7/20/2016	1.0	X		Multiple attempts to contact subject Shaw
7/21/2016	1.5	X	X	Contacted former employer, production of report of contact
7/22/2016	1.0	X		Contacted Camden County Superior Court
8/8/2016	3.0		X	Traveled to Camden County Superior Court to obtain copy of JOC
8/8/2016	1.5			Spoke with Shaw's Probation Officer, production of Report of Contact

8/23/2016	1.0		X	Production of Investigative Report
9/27/2016	1.0		X	Production of Investigative Report
10/20/2016	1.0		X	Production of Investigative Report
10/31/2016	3.0		X	Production of Facts and Evidence Report
2/9/18	.50		X	Certification of Cost
TOTAL: 18 hours				
Hours @ \$50 x 18hrs	= \$900.00			