

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 Jose Taveras, Reference
No. 1016922

**ORDER
TO
SHOW CAUSE**

TO: Jose Taveras
311 Leon Avenue
Perth Amboy, New Jersey 08861

Jose Taveras
c/o Speedy Bail Bonds
148 New Brunswick Avenue
Hopelaw, New Jersey 08861

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Jose Taveras (“Taveras” or “Respondent”), may have violated various provisions of the insurance laws of the State of New Jersey; and

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

WHEREAS, Taveras 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”), the Producer Licensing

regulations, 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-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(8), an insurance producer shall not use fraudulent, coercive, or dishonest business 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-40a(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-42a, any insurer authorized to transact business in this State may, by written contract, appoint as its agent, a person who holds a valid insurance producer licenses issued in accordance with the Producer Act and said agency contract shall contain the duties, responsibilities, and limitations of authority between the agent and the appointing insurer, and the agent shall abide by its terms; and

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

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

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person violating the Producer Act is subject to fines of up to \$5,000.00 for the first offense, and up to \$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

COUNT 1

IT APPEARING, that American Reliable Insurance Company ("ARIC") and US Specialty Insurance Company ("USSIC") are insurance companies organized in the State of Arizona and in the State of Texas, respectively; and

IT FURTHER APPEARING, that Surety Corporation of America ("SCA") is a managing general agent, licensed to conduct the business of insurance in the State of New Jersey and a surety company organized in the State of Florida; and

IT FURTHER APPEARING, that at all relevant times, Taveras was a party to bail bond agency contracts with ARIC, USSIC, and SCA, whereby SCA acted as a managing general agent for bail bonds solicited and executed in ARIC or USSIC's name by Taveras within the State of New Jersey; and

IT FURTHER APPEARING, that on November 21, 2014, an Order of Judgment was entered against Taveras and in favor of SCA in the amount of \$874,692.22 by the Superior Court

of New Jersey, Law Division, Middlesex County. (A true copy of the Order of Judgment is attached hereto as Exhibit A); and

IT FURTHER APPEARING, that on July 21, 2006, Taveras entered into a Bail Bond Agent Contract as an Agent Indemnitor with ARIC and SCA; and

IT FURTHER APPEARING, that Taveras was required to remit and pay premiums to SCA, among other costs, within seven days of execution of each bail bond, at the rate of fifteen percent of the total amount of premium charged for each bond or \$15.00 per bond, whichever was greater, pursuant to the Bail Bond Agency Contract; and

IT FURTHER APPEARING, that on October 25, 2010, Taveras entered into a Bail Bond Liable Agent Contract as an Indemnitor with USSIC and SCA; and

IT FURTHER APPEARING, that Taveras was required to remit and pay premiums to SCA, among other costs, within seven days of execution of each bail bond at an amount equal to twelve and one-half percent of the total premium charged of each bond or \$12.50 per bond, whichever was greater; and

IT FURTHER APPEARING, that in an Affidavit/Confession of Judgment signed by Taveras on September 30, 2014, Taveras admitted that he failed to remit bail bond premiums due to SCA in the amount of \$799,297.71, and that he failed to fully indemnify SCA for its payment of his bail bond forfeiture judgments in the amount of \$75,394.51. (A true copy of the Affidavit/Confession is attached hereto as Exhibit B); and

IT FURTHER APPEARING, that Tavares failed to remit bail bond premiums due to SCA in the amount of \$799,297.71 pursuant to the Bail Bond Agent Contract with ARIC and SCA, and the Bail Bond Liable Agent Contract with USSIC and SCA (collectively "Bail Bond Agency

Contracts”), the Affidavit/Confession of Judgment, and Order of Judgment in violation of N.J.S.A. 17:22A-42a, N.J.S.A. 17:22A-40a(2), (8) (16) and N.J.A.C. 11:17A-4.10; and

IT FURTHER APPEARING, that Taveras failed to remit and pay SCA the amount of \$75,394.51 in forfeited judgments entered against him, pursuant to the Bail Bond Agency Contracts, the Affidavit/Confession of Judgment, and Order of Judgment in violation of N.J.S.A. 17:22A-42a, N.J.S.A. 17:22A-40a(2), (8) (16) and N.J.A.C. 11:17A-4.10; and

IT FURTHER APPEARING, that Taveras has failed to satisfy the Order of Judgment entered against him in violation of N.J.S.A. 17:22A-42a, N.J.S.A. 17:22A-40a(2), (8) (16) and N.J.A.C. 11:17A-4.10; and

NOW, THEREFORE, IT IS on this 6th day of SEPTEMBER, 2018

ORDERED, that Taveras appear and show cause why his New Jersey insurance producer license shall not be suspended or revoked pursuant to N.J.S.A. 17:22A-40a; and

IT IS FURTHER ORDERED, that Taveras appear and show cause why the Commissioner should not assess fines up to \$5,000.00 for the first violation and up to \$10,000.00 for each subsequent violation of the Producer Act and order Taveras to pay restitution of moneys owed to any person, pursuant to N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED, that Taveras appear and show cause why he should not be required to reimburse the Department of Banking and Insurance for the cost of investigation and prosecution, pursuant to N.J.S.A. 17:22A-45c; and

IT IS PROVIDED, that Taveras has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at his 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 Taveras, 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, New Jersey Department of Banking and Insurance, P.O. Box 329, Trenton, N.J. 08625 or by faxing the request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General Brian R. Fitzgerald at Division of Law, 25 Market Street, PO Box 117, Trenton, NJ 08625-0117. The request shall contain the following:

- (a) The Respondent's name, current 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 this 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.


Peter L. Hart
Director of Insurance

EXHIBIT A

RECORDED AS LIEN DEC 19 2014

THE LAW OFFICE OF CRAIG ROTHENBERG, LLC
93 Bayard Street, Suite 2
New Brunswick, New Jersey 08901
Tel: (732) 247-5002
Fax: (732) 247-9880
Email: craig@rothenbergesq.com
Attorney ID: 041832005
Attorney for Plaintiff Surety Corporation of America, Inc.

FILED

NOV 21 2014

Melvin L. Gelade, J.S.C.

(20) #142

SURETY CORPORATION OF AMERICA, INC.,

Plaintiff,

v.

JOSE TAVERAS,

Defendant.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: MIDDLESEX COUNTY
DOCKET NO.: MID-L-6463-14.

CIVIL ACTION

J243652-14

ORDER
GRANTED

THIS MATTER, having been opened to the Court upon the application of The Law Office of Craig Rothenberg, LLC, as attorney for Plaintiff Surety Corporation of America, Inc., on notice to Defendant and the Court having considered said application and for good cause shown;

IT IS on this 21 day of November, 2014,

ORDERED that Judgment by Confession against Defendant Jose Taveras in the amount of \$874,692.22 together with interest from September 30, 2014, plus costs and disbursements, is hereby entered; and

ORDERED that a copy of this Order be served upon all parties within 7 days of entry.



J.S.C.
MELVIN L. GELADE, J.S.C.

___ Opposed
___ Unopposed

EXHIBIT B

Affidavit\Confession of Judgment

STATE OF FLORIDA)
) ss:
COUNTY OF MIAMI-DADE)

Jose Taveras, being duly sworn, deposes and says:

1. That I, Jose Taveras, am the Defendant in this action and reside at 279 Watson Ave, in the City of Perth Amboy, County of Middlesex, State of New Jersey 08861 am over the age of twenty-one and competent to testify on the matter herein.

2. That I hereby confess judgment in this court in favor of the Plaintiff, in the sum of Eight Hundred Seventy-Four Thousand Six Hundred Ninety-Two Dollars and Twenty-Two Cents (\$874,692.22) together with interest from the 30th day of September, 2014, plus costs and disbursements and do hereby authorize the Plaintiff or assigns to enter judgment for said amount.

3. That this confession of judgment is for a debt justly due to the Plaintiff arising out of the following facts:

On July 21 2006 I entered into a Bail Bond Agent Contract with Surety Corporation of America (SCA) and American Reliable Insurance Company (ARIC). On October 25, 2010 I entered into a Bail Bond Liable Agent Contract with SCA and U.S. Specialty Insurance Company (USSIC). (Collectively "Companies") Under the conditions and terms of those bail bond agent agreements ("Agreements"), I agreed to write bail bonds on behalf of the companies, remit premium, administer client collateral, and indemnify the companies against all losses and expenses including but not limited to attorney's fees and court costs.


As of September 30, 2014 I have failed to remit premium in the following amounts:

ARIC Premium on forfeited Bonds..... 23,926.63
ARIC Premium on 648 unreported powers..... 170,670.54
USSIC Premium on 3,004 reported powers..... 604,700.54
Premium Due SCA as of 9/30/2014..... \$799,297.71

In addition, I have failed to fully indemnify losses incurred by SCA for its payment of bail bond forfeitures for which I am liable. I owe a current balance of \$75,394.51 to SCA for such losses. The amount now justly due SCA under the terms of the above referenced Agreements is \$874,692.22 as true consideration for the liability stated in the Agreements for which I am liable as of September 30, 2014. I acknowledge that my contractual obligations are ongoing and that I may be or become liable for additional amounts under the terms of the Agreements. This judgment is not confessed with a fraudulent intent or to protect the property of the defendant from creditors. I consent to the immediate entry of this judgment in the amount of \$874,692.22.

I declare the above statements to be true and correct to the best of my knowledge and belief under penalty of perjury under the laws of the State of Florida.

Dated this 30th day of September, 2014 at Miami, Florida.



Jose Taveras

On the 30th day of September, 2014 before me, the undersigned, personally appeared Jose Taveras, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the Instrument.



Notary Public

(SEAL)

