

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 the )  
insurance license of Fred Shatzoff, Reference )  
No. 8211841 )

CONSENT  
ORDER

To: Fred Shatzoff  
303 Faller Dr.  
Apt B  
New Milford, NJ 07646 -5249

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Fred Shatzoff (“Respondent”), licensed as a resident individual producer pursuant to N.J.S.A. 17:22A-32, may have violated the insurance laws of the State of New Jersey; and

WHEREAS, Respondent is subject to the provisions of New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq. and the New Jersey Insurance Fraud Prevention Act (“Fraud Act”), N.J.S.A. 17:33A-1 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (2), an insurance producer shall not violate any insurance laws, or violate any 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 (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 (7), an insurance producer shall not commit any insurance unfair trade practice or fraud; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrating 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 (10), an insurance producer shall not forge another's name to an application for insurance or to any document related to an insurance transaction; 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. 17:33A-4a(4)(b), no person shall prepare or make any written or oral statement, intended to be presented to any insurance company or producer for the purpose of obtaining an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to an insurance application or contract; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5c, violations of the Fraud Act subject the violator to a civil penalty not to exceed \$5,000.00 for the first offense, not to exceed \$10,000.00 for the second offense and not to exceed \$15,000.00 for each subsequent offense; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, each person who settles an insurance fraud proceeding shall be subject to a surcharge of 5% of the Fraud Act settlement amount; and

WHEREAS, on or about January 24, 2015, the Respondent misrepresented himself as proposed insured EW while completing a voice signature telephone application with carrier Royal Neighbors of America, without receiving prior authorization from EW, in violation of N.J.S.A. 17:22A-40a (2), (5), (7), (8), (10), (16) and N.J.S.A. 17:33A-4a(4)(b); and

WHEREAS, the Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the Department of Banking and Insurance's ("Department") investigation; and

WHEREAS, cause does exist under N.J.S.A. 17:22A-40a and N.J.S.A. 17:22A-45c, to impose a fine; and

WHEREAS, that the Respondent has waived his right to a hearing on the aforementioned violations and has consented to the payment of a civil penalty in the amount of \$5,000.00 for the violations of the Producer Licensing Act and payment of a civil penalty in the amount of \$2,500.00 for the violations of the Fraud Act; and

WHEREAS, that pursuant to N.J.S.A. 17:33A-5.1, Respondent shall pay a statutory insurance surcharge of \$125.00; and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing on the aforementioned violations; and

NOW, THEREFORE, IT IS on this 4<sup>th</sup> day of JANUARY, 2016

ORDERED AND AGREED, that pursuant to N.J.S.A. 17:22A-40a, the Respondent pay a civil penalty in the amount of \$5,000.00 for the violations of the Producer Licensing Act admitted herein; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall pay a civil penalty of \$2,500.00 for the violations of the Fraud Act admitted herein; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall pay an insurance fraud surcharge in the amount of \$125.00 for the violations of the Fraud Act admitted herein; and

IT IS FURTHER ORDERED AND AGREED, that the said civil penalties and surcharge shall be paid by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," with an initial payment of \$1,525.00 due by the 31<sup>st</sup> of December 2015 and 20 subsequent monthly payments of \$305.00 due and payable on or before the 31<sup>st</sup> day of each month thereafter; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order, together with the initial payment of \$1,525.00, shall be remitted to:

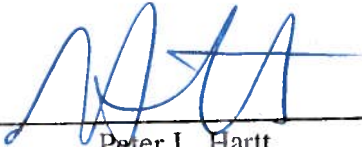
New Jersey Department of Banking and Insurance  
Attention: Virgil Downtin - Chief of Investigations  
9<sup>th</sup> Floor, Consumer Protection Services, Enforcement  
P. O. Box 329  
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the fine 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 summary proceedings, in accordance with the penalty enforcement law, N.J.S.A. 2A:58-10 et seq.; and

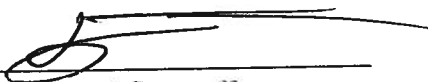
IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED, that the Respondents shall cease and desist engaging in the conduct that gave rise to this Consent Order.

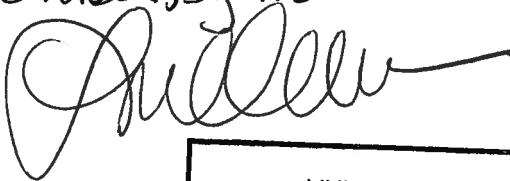
  
Peter L. Hartt  
Director of Insurance

Consented to as to Form, Entry  
and Content

By:   
Fred Shatzoff

12/23/15  
Date

Sworn AND subscribed this 23rd day  
of December, 2015 by FRED SHATZOFF ONLY \*



LINDAMARIE MASSARI  
Notary Public  
State of New Jersey  
My Commission Expires Jan 28, 2018