

ORDER TO SHOW CAUSE NO. E16-88

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)
Weiran Dobrek, Reference No.)
1003574, and Atlantic Bail)
Bonds, Inc., Reference No.)
1005337.)

ORDER TO SHOW CAUSE

TO: Weiran Dobrek
64 Copperleaf Drive
Newtown, PA 18940

Atlantic Bail Bonds, Inc.
82 High Street
Mount Holly, NJ 08060

THIS MATTER, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Weiran Dobrek ("Dobrek") and Atlantic Bail Bonds, Inc. (collectively, the "Respondents"), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent Dobrek was a licensed resident insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-32, until revocation of her license on January

15, 2015 by Final Decision and Order of the Commissioner No. E15-09; and

WHEREAS, Respondent Atlantic Bail Bonds was a licensed business entity insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32, until its license became inactive, pursuant to N.J.A.C. 11:17-2.12(d), on January 15, 2015; and

WHEREAS, the Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act ("Producer Act"), N.J.S.A. 17:22A-26, et seq., the regulations governing Producer Licensing, N.J.A.C. 11:17-1.1 et seq., and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 et seq. and N.J.A.C. 11:17D-1.1 et seq.; 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 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 New Jersey Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law; and

WHEREAS, Respondent Dobrek was the Designated Responsible Licensed Producer ("DRLP") and responsible for the activities of Respondent Atlantic Bail Bonds, and responsible for Atlantic

Bail Bonds' compliance with the insurance laws, pursuant to N.J.S.A. 17:22A-32b(2); and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.6(c), licensed partners, officers and directors, and all owners with an ownership interest of 10 percent or more in the organization shall be held responsible for all insurance related conduct of the organization licensee, any of its branch offices, its other licensed officers or partners, and its employees; and

WHEREAS, pursuant to N.J.S.A. 17:22A-29, a "person" means an individual or a business entity; and

WHEREAS, pursuant to N.J.S.A. 17:22A-29, a person shall not sell, solicit or negotiate insurance in this State unless the person is licensed for that line of authority in accordance with the Producer Act; 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; 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 the insurance business; and

WHEREAS, pursuant to N.J.S.A. 17:22A-32b(2), any business entity acting as an insurance producer is required to designate

at least one DRLP responsible for the entity's compliance with the insurance laws, rules, and regulations; and

WHEREAS, pursuant to N.J.A.C. 11:17-2.12(d), departure, termination or deletion of licensee officers, directors or partners, which leaves a business entity insurance producer with no licensed officers, directors or partners or with officers, directors or partners who do not have like authorities as the business entity producer, shall make the business entity producer license inactive; and

WHEREAS, pursuant to N.J.A.C. 11:17D-2.5(e), no person whose license has been suspended or revoked may be a partner, officer, director or owner of a licensed business entity, or otherwise be employed in any capacity by an insurance producer; and

WHEREAS, pursuant to Final Decision and Order of the Commissioner No. E15-09, Respondent Dobrek's New Jersey insurance producer license was revoked on January 15, 2015; and

WHEREAS, Final Decision and Order of the Commissioner No. E15-09 assessed against Respondent Dobrek civil penalties for violations of the Producer Act; and

COUNT 1

IT APPEARING, that prior to revocation on January 15, 2015, Respondent Dobrek was the sole DRLP and owner of Respondent Atlantic Bail Bonds; and

IT FURTHER APPEARING, that as of January 15, 2015, by operation of N.J.A.C. 11:17-2.12(d), Respondent Atlantic Bail Bonds was no longer an active insurance producer in this State because Atlantic Bail Bonds was without a licensed insurance producer as a DRLP or owner; and

IT FURTHER APPEARING, that on or about January 21, 2015, Respondents received a copy of Final Decision and Order of the Commissioner No. E15-09 and notification that Respondent Dobrek's New Jersey insurance producer license was revoked on January 15, 2015; and

IT FURTHER APPEARING, that on or about March 12, 2015, Respondents issued a \$2,500.00 bail bond in New Jersey on behalf of Roche Surety and Casualty Co., Inc. ("Roche"), with a Power of Attorney No. AA14-191080 for consumer "BS"; and

IT FURTHER APPEARING, that on or about March 12, 2015, Respondents issued a \$500.00 bail bond in New Jersey on behalf of Roche, with a Power of Attorney No. AA15-234449 for consumer "RC"; and

IT FURTHER APPEARING, that on or about March 17, 2015, Respondents issued a \$300.00 bail bond in New Jersey on behalf of Roche, with a Power of Attorney No. AA15-234438 for consumer "LR"; and

IT FURTHER APPEARING, that on or about March 17, 2015, Respondents issued a \$1,500.00 bail bond in New Jersey on behalf

of Roche, with a Power of Attorney No. AA15-234454 for consumer "LR"; and

IT FURTHER APPEARING, that these four instance, where Respondents sold four insurance products at a time when Dobrek was not licensed as an insurance producer in this State, and Atlantic Bail Bonds' license was inactive, constitutes four violations of N.J.S.A. 17:22A-29, N.J.S.A. 17:22A-40a(2), and (8); and

COUNT 2

IT FURTHER APPEARING, that Respondent Atlantic Bail Bonds continued to conduct insurance business in this State without a DRLP, in violation of N.J.S.A. 17:22A-32b(2), N.J.S.A. 17:22A-40a(2), and (8), N.J.A.C. 11:17D-2.5(e); and

NOW, THEREFORE, IT IS on this 16th day of September, 2016

ORDERED, that pursuant to the provisions of N.J.S.A. 17:22A-40a, that Respondent Dobrek, as the sole Designated Responsible Licensed Producer and owner of Atlantic Bail Bonds, shall appear and show cause why Atlantic Bail Bonds' business entity insurance producer license shall not be revoked by the Commissioner; and

IT IS FURTHER ORDERED, that Respondents shall appear and show cause why the Commissioner should not assess fines up to \$5,000.00 for the first violation and not exceeding \$10,000.00 for each subsequent violation of the Producer Act, pursuant to

the provisions of N.J.S.A. 17:22A-45c, due to Respondents' failure to comply with New Jersey's insurance laws and regulations; and

IT IS FURTHER ORDERED, that Respondents shall appear and show cause why they should not be subject to additional penalties, including restitution to their victims and reimbursement of the costs of investigation and prosecution by the Department of Banking and Insurance, pursuant to 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 subpoena and subpoena duces tecum 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 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 the 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, 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. The request shall contain:

- (A) The licensee's 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 Respondents have 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. Hartt
Director of Insurance