

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 Manuel Moreno, Reference No.)
1085063, and On Time Bail Bonds LLC,)
Reference No. 1291481)

ORDER TO SHOW CAUSE

TO:

Manuel Moreno
461 New Brunswick Avenue
Perth Amboy, NJ 08861-2128

On Time Bail Bonds LLC
461 New Brunswick Avenue
Perth Amboy, NJ 08861-2128

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

WHEREAS, Moreno was licensed as a resident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32a, until his license expired on September 30, 2016; and

WHEREAS, On Time was licensed as a resident business entity insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32b, until its license expired on May 31, 2016; and

WHEREAS, Moreno was the Designated Responsible Licensed Producer (“DRLP”) for On Time and responsible for the activities of On Time and its compliance with the insurance laws,

rules, and regulations of this State, pursuant to N.J.S.A. 17:22A-32b(2) and N.J.A.C. 11:17A-1.6(c); and

WHEREAS, the Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001 ("Producer Act"), N.J.S.A. 17:22A-26 to -48, and the regulations governing Insurance Producer Standard 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, 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-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(4), an insurance producer shall not improperly withhold, misappropriate or convert any monies or properties received in the course of doing insurance business; 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.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.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.A.C. 11:17C-2.1(a), all premium funds shall be held by an insurance producer in a fiduciary capacity and shall not be misappropriated, improperly converted to the insurance producer's own use, or illegally withheld by the licensee; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.2(a), all premium funds shall be remitted to the insurer or other insurance producer, as applicable, within five business days after receipt of the funds, with certain exceptions; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.2(b), all premiums due the insured shall be paid to the insured or credited to the insured's account within five business days after receipt by the insurance producer from the insurer or other insurance producer or premium finance company; 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, as appropriate; and

COUNT 1
(MORENO)

IT APPEARING, that on or about March 2, 2016, Moreno represented to individual K.A.

that he was an independent agent for MF Bail Bonds; and

IT FURTHER APPEARING, that on that same date, Moreno accepted a \$7,000.00 premium deposit from K.A. to post bail for K.A.'s son, P.P.;

IT FURTHER APPEARING, that Moreno never remitted the premium to any insurer and never returned the premium to K.A.;

IT FURTHER APPEARING, that on March 4, 2016, the owner of M.F. Bail Bonds terminated Moreno's employment;

IT FURTHER APPEARING, that Moreno's failure to remit premium funds to an insurer, or return the premium funds to the insured, within five business days after receipt, constitutes violations of N.J.S.A. 17:22A-40a(2), (4), and (8); N.J.A.C. 11:17A-4.10; N.J.A.C. 11:17C-2.1(a); and N.J.A.C. 11:17C-2.2(a) and (b); and

COUNT 2
(ALL RESPONDENTS)

IT APPEARING, that on or about December 16, 2014, individual A.D. contacted Moreno and/or On Time regarding posting bail for her incarcerated son, L.A.D.; and

IT FURTHER APPEARING, that A.D. paid Moreno and/or On Time \$10,000.00 for the bail bond; and

IT FURTHER APPEARING, that Moreno provided A.D. with two receipts for \$3,000.00 and \$7,000.00, respectively; and

IT FURTHER APPEARING, that Moreno informed A.D. that her son's bail was too high, there was nothing he could do, and that he would return the \$10,000.00 to A.D.; and

IT FURTHER APPEARING, that Moreno never returned the \$10,000.00 to A.D.; and

IT FURTHER APPEARING, that Respondents' misappropriation of premium funds and failure to remit premium funds to an insurer, or return the premium funds to the insured within

five business days after receipt, constitutes violations of N.J.S.A. 17:22A-40a(2), (4), and (8); N.J.A.C. 11:17A-4.10; N.J.A.C. 11:17C-2.1(a); and N.J.A.C. 11:17C-2.2(a) and (b); and

**COUNT 3
(ALL RESPONDENTS)**

IT APPEARING, that on or about December 11, 2015, individual E.R. paid Moreno and/or On Time a \$2,500.00 down payment on \$100,000.00 bail for E.R.'s son, P.R.; and

IT FURTHER APPEARING, that Moreno and/or On Time failed to post bail for P.R. and never returned the \$2,500.00 to E.R.; and

IT FURTHER APPEARING, that Respondents' misappropriation of premium funds and failure to remit premium funds to an insurer, or return the premium funds to the insured within five business days after receipt, constitutes violations of N.J.S.A. 17:22A-40a(2), (4), and (8); N.J.A.C. 11:17A-4.10; N.J.A.C. 11:17C-2.1(a); and N.J.A.C. 11:17C-2.2(a) and (b); and

NOW, THEREFORE, IT IS on this 25th day of May, 2018

ORDERED, that Respondents appear and show cause why their insurance producer licenses should not be revoked by the Commissioner 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 penalty of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act and order Respondents to pay restitution of any moneys owed to any person, pursuant to the provisions of 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 of Banking and Insurance ("Department") for the cost of the investigation and prosecution 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, N.J. 08625 or by faxing the request to the Department at (609) 292-5337, with a copy faxed to Deputy Attorney General Brian R. Fitzgerald at (609) 777-3503. The request shall contain:

- (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 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