

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 revoke	)	CONSENT
the insurance license of Joseph Allen Gaines Jr.,	)	ORDER
Reference No. 1517626	)	

To: Joseph Allen Gaines Jr.  
John M Wynne Unit  
810 FM 2821  
Huntsville, TX 77349

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Joseph Allen Gaines Jr. ("Respondent"), formerly licensed as a nonresident individual insurance producer, pursuant to N.J.S.A. 17:22A-34a, may have violated the insurance laws of the State of New Jersey; and

WHEREAS, Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 (the "Producer Act"); 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-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 have been convicted of a felony or crime of the fourth degree or higher; 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 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 a fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(18), an insurance producer shall 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; shall obtain the written consent pursuant to sections 1033 and 1034 of Title 18, United States Code (18 U.S.C. ss. 1033 and 1034); and shall 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. The report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents; and

WHEREAS, the Respondent's New Jersey producer license expired on May 31, 2017;  
and

WHEREAS, on or about May 19, 2016, the Respondent was arrested in the state of Texas and on June 24, 2016 was charged by indictment with a first-degree felony for "misapplication of fiduciary property" involving the misappropriation of annuity funds belonging to elderly persons; and

WHEREAS, on February 15, 2018, the Respondent was convicted in district court by the State of Texas of the first-degree felony of "misapplication of fiduciary property of an elderly person" and sentenced to life imprisonment, in violation of N.J.S.A. 17:22A-40a(2), (6) and (16);  
and

WHEREAS, the Respondent's misappropriation of premium violates N.J.S.A. 17:22A-40a(2) and (8); and

WHEREAS, the Respondent failed to report the aforementioned arrest, indictment and conviction to the Commissioner within 30 days, in violation of N.J.S.A. 17:22A-40a(2) and (18) and N.J.S.A. 17:22A-47b; and

WHEREAS, the Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance ("Department"); and

WHEREAS, cause does exist under N.J.S.A. 17:22A-40a to revoke the Respondent's nonresident insurance producer license; and

WHEREAS, the Respondent has waived his right to a hearing on the aforementioned violations and has consented to the revocation of the nonresident insurance producer license; and

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

NOW, THEREFORE, IT IS on this 25<sup>th</sup> day of February, 2019

ORDERED AND AGREED, that the Respondent's nonresident insurance producer license, Reference Number 1517626, is revoked pursuant to N.J.S.A. 17:22A-40a, and said license shall be immediately returned to the Department upon execution of this Consent Order by the Respondent; and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order, together with the Respondent's nonresident producer license shall be returned 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 08625-0329

and

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.A.C. 11:17D-2.7, the Respondent is barred from reapplying for an insurance producer license for a period of five years from the date of this Consent Order; 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.

Marlene Caride  
Marlene Caride  
Commissioner

Consented to as to Form,  
Entry and Content

By: Joseph Allen Gaines Jr.  
Joseph Allen Gaines Jr.

Date: 01/23/2012

NOTARY PUBLIC  
STATE OF TEXAS  
CASEY SHAVER  
HYDE  
Notary Public, State of Texas  
My Commission Expires  
6-05-2019  
Notary Without Bond

Casey Shaver Hyde