

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 Stephen A. Russo, Reference No.)
1583118.)

ORDER TO SHOW CAUSE

To: Stephen A. Russo
1062 Niagara Road
Camden, NJ 08104

Stephen A. Russo
1843 48th Street
Pennsauken, New Jersey 08110

Stephen A. Russo
211 New Jersey Road
Brooklawn, New Jersey 08030

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

WHEREAS, at all relevant times, Russo was licensed as a resident individual insurance producer in the State of New Jersey pursuant to N.J.S.A.17:22A-32(a), until his license expired on June 30, 2017; and

WHEREAS, Russo 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"); and the regulations governing Persons Employed in the Business of Insurance N.J.A.C. 11:17E-1.1 to -1.7; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(d), 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 of 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-40(a)(6) an insurance producer shall not be convicted of a felony or crime of the 4th degree or higher; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(18) an insurance producer shall not fail to notify the Commissioner within 30 days of conviction of any crime, indictment or the filing of any formal criminal charges; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(b), within thirty 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, which report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents; and

WHEREAS, pursuant to N.J.A.C. 11:17E-1.3(a), no person having been convicted of a felony involving breach of trust or dishonesty shall be employed in the business of insurance in this State in any capacity without having obtained a waiver from the Commissioner or her designee in accordance with 18 U.S.C. §1033 and N.J.A.C. 11:17E-1.3; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.2, a felony means, among other things, any crime identified as an offense of the first, second, third or fourth degree pursuant to N.J.S.A. 2C:1-4 and 43-1; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating any provision of the Producer Act shall be liable to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense; additionally, the Commissioner may order restitution of moneys owed and person and reimbursement of costs of the investigation and prosecution; and

COUNT 1

IT APPEARING, that Russo held an insurance producer license from June 17, 2015 through the date of its expiration on June 30, 2017; and

IT FURTHER APPEARING, that on or about December 29, 2015, Russo was arrested for and on March 20, 2017 convicted in Burlington County Superior Court for Theft by Deception in the 3rd Degree after he entered a guilty plea; and

IT FURTHER APPEARING, that Russo was sentenced to two years' probation, was ordered to pay \$854.46 in restitution to Shoprite, located in Hainesport, New Jersey and was prohibited from entering Shoprite stores located in Cinnaminson, Mt. Laurel, Delran and Hainesport, New Jersey; and

IT FURTHER APPEARING, that by being convicted of a felony or crime of the fourth degree or higher, Respondent violated N.J.S.A. 17:22A-40(a)(6); and

IT FURTHER APPEARING, that pursuant to 18 U.S.C. §1033(e) and N.J.A.C. 11:17E-1.3(a), as a result of said conviction, Russo cannot engage in the business of insurance until such time as he obtains a written waiver form the Commissioner; and

IT FURTHER APPEARING, that Commissioner has not issued a waiver to Russo and, as a result, Russo cannot legally engage in the business of insurance in this State; and

COUNT 2

IT FURTHER APPEARING, that Russo failed to advise the Commissioner of the arrest within 30 days, in violation of N.J.S.A. 17:22A-40(a)(18) and N.J.S.A. 17:22A-47(b); and

COUNT 3

IT FURTHER APPEARING, that Russo failed to advise the Commissioner of his subsequent conviction within 30 days, in violation of N.J.S.A. 17:22A-40(a)(18) and N.J.S.A. 17:22A-47(b); and

NOW, THEREFORE, IT IS on this 6th day of May 2019;

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

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty of 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 Respondent to pay restitution of moneys owed to any person, pursuant to N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why he should not be required to reimburse the Department for the cost of the investigation and prosecution, as authorized by N.J.S.A. 17:22A-45(c); and

IT IS PROVIDED, that Respondent 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 this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Respondent, and the Commissioner shall dispose of this matter in accordance the 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, New Jersey 08625, or by faxing the hearing request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General Jessica Lugo at Division of Law, Banking & Insurance Section, 25 Market Street, P.O. Box 117, Trenton, New Jersey 08625. The request shall contain the following:

- (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 Respondent has no specific knowledge regarding a fact alleged in the 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 the hearing.



Marlene Caride, Commissioner