

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

_____	)	
Proceedings by the Commissioner	)	
of Banking and Insurance, State	)	<b>CONSENT ORDER</b>
of New Jersey, to fine, suspend,	)	
and/or revoke the insurance producer	)	
license of Thomas M. LaGuidice,	)	
Reference No. 1226682.	)	
_____		

TO: Thomas M. LaGuidice  
3 Rene Drive  
Staten Island, NY 10306

THIS MATTER, having been opened by Richard J. Badolato, Commissioner, New Jersey Department of Banking and Insurance ("Commissioner") upon information that Thomas M. LaGuidice ("Respondent"), licensed as a non-resident individual insurance producer pursuant to N.J.S.A. 17:22A-34, may have violated various provisions of 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 et seq. ("Producer Act"), the Producer Licensing regulations, 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. 11:17C-1.1 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance law or 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 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(15), an insurance producer shall not intentionally withhold material information or make a material misstatement in an application for a license; 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.A.C. 11:17A-4.8, an insurance producer shall reply, in writing, to any inquiry of the New Jersey Department of Banking and Insurance ("Department") relative to the business of insurance within the time requested in said inquiry, or no later than 15 calendar days from the date the inquiry was made or mailed in cases where no response time is given; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.1, 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 all

premium funds shall be segregated and not in any manner commingled with any other funds of the insurance producer; 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; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.3(a), an insurance producer shall establish and maintain a trust account into which shall be deposited cash, checks and other instruments payable to the insurance producer: (1) when an insurance producer holds any premiums for more than five business days before remitting the premiums to an insurer or other insurance producer, pursuant to N.J.A.C. 11:17C-2.2(a)1 through 3; or (2) when an insurance producer deposits any collected premiums into a financial institution account or other investment, or otherwise uses the premiums, even though the premiums are remitted within five business days; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.5(a) and (b), each insurance producer shall maintain accurate books and records reflecting all insurance-related transactions in which the insurance producer or his employees take part, and shall maintain a register of all monies received, deposited, disbursed or withdrawn in connection with an insurance transaction; and

IT APPEARING, that Respondent procured a commercial insurance policy for insured J.C., collected \$1,500.00 in premium for the commercial policy, failed to remit the premium to the insurer, and failed to return the premium funds to the insured, in violation of N.J.S.A. 17:22A-40a(2), (4), (8), and (16) and N.J.A.C. 11:17C-2.1 and 2.2; and

IT FURTHER APPEARING, that Respondent procured a homeowner's insurance policy for insured J.C., collected \$1,267.25 in premium for the homeowner's policy, failed to

remit the premium to the insurer, failed to return the premium funds to the insured, and failed to notify the insured that the policy had been cancelled, in violation of N.J.S.A. 17:22A-40a(2), (4), (8), and (16) and N.J.A.C. 11:17C-2.1 and 2.2; and

IT FURTHER APPEARING, that Respondent failed to deposit J.C.'s insurance premium checks into a trust account, and comingled premiums in Respondent's business account, in violation of N.J.S.A. 17:22A-40a(2), (4), (8), and (16) and N.J.A.C. 11:17C-2.3; and

IT FURTHER APPEARING, that during Department's investigation, Respondent was unable to provide relevant policy numbers, effective dates of coverage, the total amount paid to him by insured J.C., or the total premiums he paid the carrier on behalf of J.C., and therefore failed to maintain accurate books and records in violation of N.J.S.A. 17:22A-40a(2) and (8) and N.J.A.C. 11:17C-2.5; and

IT FURTHER APPEARING, that on August 8, 2013, the Department served a Subpoena Duces Tecum upon Respondent requiring a response by August 29, 2013. The Respondent did not provide a response, in violation of N.J.S.A. 17:22A-40a(2) and N.J.A.C. 11:17A-4.8; and

IT FURTHER APPEARING, that Respondent misrepresented on his application for a New Jersey insurance producer license that he had never been involved in an administrative proceeding regarding "any professional or occupational license," when, in fact, Respondent was fined by the New York State Insurance Department in 1998, in violation of N.J.S.A. 17:22A-40a(2), (15), and (16); and

IT FURTHER APPEARING, that good cause does exist under the Producer Act and the regulations governing Insurance Producer Standards of Conduct for the imposition of penalties upon Respondent for the violations described above; and

IT FURTHER APPEARING, that Respondent admits and agrees to take responsibility for the aforementioned violations; and

IT FURTHER APPEARING, that Respondent has waived his right to a hearing on the above violations and consented to the revocation of his insurance producer license, the payment of a fine totaling \$10,000.00, and restitution to insured J.C. in the amount of \$1,500.00; and

IT FURTHER APPEARING, that this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

IT FURTHER APPEARING, that good cause exists to enter into this Consent Order; and

NOW, THEREFORE, IT IS on this 17<sup>th</sup> day of November 2017

ORDERED AND AGREED, that Respondent admits to the violations of the Producer Act, the Producer Licensing regulations, and the regulations governing Insurance Producer Standards of Conduct, as described above; and

IT IS FURTHER ORDERED AND AGREED, that the New Jersey insurance producer license of Respondent Thomas M. LaGuidice is hereby REVOKED, pursuant to N.J.S.A. 17:22A-40; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall pay civil penalties in the amount of \$10,000.00 for the violations admitted to herein, pursuant to N.J.S.A. 17:22A-40a and N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED AND AGREED, that said civil penalties of \$10,000.00 shall be paid by certified check, cashier's check or money order made payable to the

**“State of New Jersey, General Treasury,”** due and payable immediately upon the execution of this Consent Order by Respondent; and

IT IS FURTHER ORDERED AND AGREED, that this signed Consent Order together with the payment of \$10,000.00 shall be remitted to:

Kevin J. McGowan, Deputy Attorney General  
State of New Jersey, Division of Law  
R.J. Hughes Justice Complex  
25 Market Street, Second Floor West Wing  
P.O. Box 117  
Trenton, New Jersey 08625

IT IS FUTURE ORDERED AND AGREED, that Respondent shall immediately pay restitution in the amount of \$1,500.00 directly to insured J.C., pursuant to N.J.S.A. 17:22A-45c; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall immediately, upon the execution of this Consent Order, provide the Commissioner proof of restitution to insured J.C.; and

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 final resolution of the violations contained herein against Respondent.

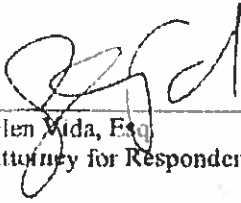
  
\_\_\_\_\_  
Peter L. Hart  
Director of Insurance

**Consented to as to Form, Content and Entry:**



Thomas M. LaGuidice, Respondent

Date: \_\_\_\_\_

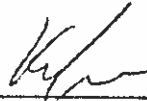


Glen Mida, Esq.  
Attorney for Respondent

Date: 8/22/17

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the New Jersey  
Department of Banking and Insurance

Date: 9/27/17

  
By: Kevin J. McGowan  
Deputy Attorney General