

ORDER NO. E17-54

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of)	
Banking and Insurance, State of New)	CONSENT
Jersey, to fine, suspend, and/or revoke)	ORDER
the insurance license of Rachelle L.)	
Zubrzycki, a.k.a. Rachelle Buck,)	
Reference No. 1037376)	

TO: Rachelle L. Buck
950 Palomino Street,
Carol Stream, IL 60188-1338

This matter, having been opened by the Commissioner of Banking and Insurance, ("Commissioner"), State of New Jersey, upon information that Rachelle L. Zubrzycki, a.k.a. Rachelle Buck ("Respondent"), formerly licensed as a resident individual insurance producer pursuant to N.J.S.A. 17:22A-32a, until May 31, 2015, when her license expired, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent is subject to the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq. (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 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 any fraudulent act; 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 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-45c, any person who violates any provision of the Producer Act shall be liable to a

penalty not exceeding \$5,000 for the first offense and not exceeding \$10,000 for each subsequent offense; additionally, the Commissioner or the court, as the case may be, may order restitution of moneys owed any person and reimbursement of the costs of investigation and prosecution; and

IT APPEARING that the Commissioner issued Amended Order to Show Cause No. E14-135 on November 17, 2014, alleging violation of the New Jersey insurance laws by Respondent, as follows:

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING that, at all times relevant hereto, Buck was employed by Deptford Honda Yamaha ("DHY"); and

IT FURTHER APPEARING that one of Buck's primary responsibilities at DHY was transferring insurance premium payments from DHY's trust and operating accounts to the appropriate insurer; and

IT FURTHER APPEARING that Buck had authority to transfer funds from DHY's trust and operating accounts to insurers for DHY related business; and

COUNT 1

IT FURTHER APPEARING that Buck's responsibilities at DHY included assisting customers in obtaining motor vehicle and motorcycle insurance; and

IT FURTHER APPEARING that Buck collected cash insurance premium payments from DHY customers seeking to acquire motor vehicle and motorcycle insurance; and

IF FURTHER APPEARING that DHY's internal policy required that all cash collected from customers be placed directly into DHY's safe; and

IT FURTHER APPEARING that all cash placed into DHY's safe would then be deposited into either DHY's trust or operating account; and

IT FURTHER APPEARING that, once the cash was deposited into DHY's trust account, the insurance premium payment would then be wired from that account to the appropriate insurer; and

IT FURTHER APPEARING that, on ninety-three occasions between April 30, 2010 and August 23, 2013, Buck collected cash insurance premium payments from DHY customers and failed to place the funds in DHY's safe or deposit them into either of DHY's bank accounts; and

IT FURTHER APPEARING that, on ninety-three occasions between April 30, 2010 and August 23, 2013, Buck misappropriated cash insurance premiums for her own personal use; and

IT FURTHER APPEARING that, in total, Buck misappropriated \$15,883.47 in insurance premiums; and

IT FURTHER APPEARING that, by taking money from insureds on behalf of DHY and failing to deposit it in the agency's trust account, Buck improperly withheld, misappropriated, or converted monies or properties received in the course of doing insurance business, in violation of N.J.S.A. 17:22A-40a(2), (4), (8), and (16); and

COUNT 2

IT FURTHER APPEARING that, each time she misappropriated cash premium payments,

Buck wired the exact amount of the stolen funds from DHY's operating account to the appropriate insurer; and

IT FURTHER APPEARING that, on ninety-three separate occasions between April 30, 2010 and August 23, 2013, Buck wired money from DHY's operating account to an insurer in order to procure coverage or make policy payments; and

IT FURTHER APPEARING that, in total, Buck wired \$15,883.47 from DHY's operating account to cover premium payments; and

IT FURTHER APPEARING that, by wiring money from DHY's operating account to insurers in order to avoid detection, Buck used fraudulent, coercive, or dishonest practices, in violation of N.J.S.A. 17:22A-40a(2) and (8); and

COUNT 3

IT FURTHER APPEARING that, in the summer of 2012, Buck procured a Progressive automobile insurance policy, policy no. ending in 999 ("Policy 999"), for her husband's truck; and

IT FURTHER APPEARING that, on eight (8) occasions between August 24, 2012 and August 28, 2013, Buck wired money from DHY's operating account to Progressive to pay the insurance premiums on Policy 999; and

IT FURTHER APPEARING that, in total, Buck wired \$3,152.28 from DHY's operating account to Progressive in connection with Policy 999; and

IT FURTHER APPEARING that Buck did not deposit \$3,152.28 into DHY's operating account; and

IT FURTHER APPEARING that Buck did not have permission or authority from her

employer to use DHY funds to pay her personal auto insurance policy premiums; and

IT FURTHER APPEARING that, by misappropriating \$3,152.28 from DHY, Buck used fraudulent, coercive, or dishonest practices, in violation of N.J.S.A. 17:22A-40a(2) and (8); and

COUNT 4

IT FURTHER APPEARING that, in the spring of 2013, Buck's mother procured a Progressive automobile insurance policy, policy no. ending in 927 ("Policy 927"); and

IT FURTHER APPEARING that, on six (6) occasions between March 22, 2013 and September 24, 2013, Buck wired money from DHY's operating account to Progressive to pay the insurance premiums on Policy 927; and

IT FURTHER APPEARING that, in total, Buck wired \$1,594.61 from DHY's operating account to Progressive in connection with Policy 927; and

IT FURTHER APPEARING that Buck did not deposit \$1,594.61 into DHY's operating account; and

IT FURTHER APPEARING that Buck did not have permission or authority from her employer to use DHY funds to pay her mother's personal auto insurance policy premiums; and

IT FURTHER APPEARING that, by misappropriating \$1,594.61 from DHY, Buck used fraudulent, coercive, or dishonest practices, in violation of N.J.S.A. 17:22A-40a(2) and (8); and

IT FURTHER APPEARING that subsequent to the issuance of this Order to Show Cause No. E14-135, it was discovered that in addition to the funds that Respondent misappropriated as alleged in Counts 1 through 4, Respondent also misappropriated \$8,651.29 in insurance premiums from DHY; and

IT FURTHER APPEARING that upon discovering of Respondent's misappropriation of insurance premiums, DHY filed a claim for insurance benefits in the amount of \$29,281.65 with DHY's insurance carrier, Universal Underwriters Insurance Company; and

IT FURTHER APPEARING that based on Universal Underwriters Insurance Company's investigation, it approved DHY's claim for benefits in full, less a \$2,500.00 deductible; and

IT FURTHER APPEARING that on or about May 2, 2014, Universal Underwriters Insurance Company sent a reimbursement check to DHY in the amount of \$26,781.65; 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 cause does exist under N.J.S.A. 17:22A-45c for payment of restitution by Respondent for the violations described above; and

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

IT FURTHER APPEARING that Respondent has waived her right to a hearing on the above violations and consented to the payment of restitution totaling \$29,281.65; 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 6th day of

July, 2017,

ORDERED AND AGREED that the charges contained in Counts 1 through 4 of this Order to Show Cause No. E14-135 are admitted by Respondent; and

IT IS FURTHER ORDERED AND AGREED that pursuant to N.J.S.A. 17:22A-40, the expired resident insurance producer license of Respondent is hereby REVOKED effective upon the execution of this Consent Order by the Commissioner or his designee; and

IT IS FURTHER ORDERED AND AGREED that Respondent shall pay restitution totaling \$29,281.65, consisting of \$26,781.65 to Universal Underwriters Insurance Company and \$2,500.00 to

Deptford Honda Yamaha, as reimbursement for the funds misappropriated by Respondent; and

IT IS FURTHER ORDERED AND AGREED that upon execution of this Stipulation of Settlement, Defendant shall remit to the attorney for the Commissioner two payments in the total amount of \$5,000.00 by certified check, official bank check, or money order as follows:

- (1) The first payment in the amount of \$2,500.00 shall be made payable to "Deptford Honda Yamaha"; and
- (2) The second payment in the amount of \$2,500.00 shall be made payable to "Universal Underwriters Insurance Company"

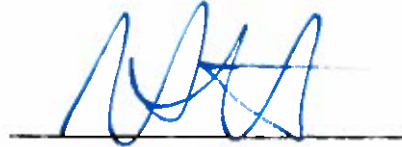
IT IS FURTHER ORDERED AND AGREED that the two payments outlined above shall be due immediately upon execution of this Consent Order and shall be sent to:

Garen Gazaryan, Deputy Attorney General
Banking and Insurance Section
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 117
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED that Respondent shall repay the remaining balance of \$24,281.65 to Universal Underwriters Insurance Company; and

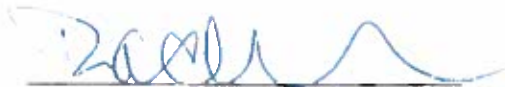
IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and

constitute final resolution of the violations contained herein
against Respondent.



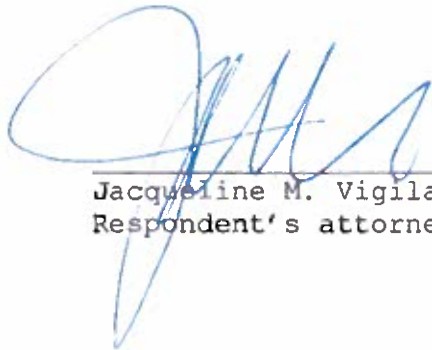
PETER L. HARTT
Director of Insurance

CONSENTED AS TO FORM, CONTENT, AND ENTRY:



Rachelle Zubrzycki
Respondent

Dated: 6/25/17

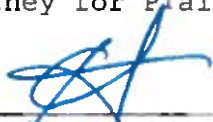


Jacqueline M. Vigilante, Esq.
Respondent's attorney

Dated: 6/25/17

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiff

Dated: 6/29/17

By: 
Garen Gazaryan
Deputy Attorney General