

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 license of)
Gregory Adamo, Reference No. 1062351.)
_____)

FINAL ORDER

TO: Gregory Adamo
17 Blackwell Avenue
Morristown, NJ 07960

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon issuance of Order to Show Cause No. E22-53 (the “OTSC”), alleging that Gregory Adamo (“Respondent”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was formerly licensed as a resident individual insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-34(a), until February 12, 2020, when he voluntarily surrendered his license; 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 (“Producer Act”); and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(1), an insurance producer shall not provide incorrect, misleading, incomplete or materially untrue information in an application for a producer license; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(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-40(a)(3), an insurance producer shall not obtain or attempt to obtain a producer license through misrepresentation or fraud; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(15), an insurance producer shall not intentionally withhold material information or make a material misstatement in an application for a producer license; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(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 New Jersey; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(19) and N.J.S.A. 17:22A-47(c), an insurance producer shall notify the Commissioner within 30 days of the final disposition of any disciplinary action taken against the producer by the Financial Industry Regulatory Authority ("FINRA"); and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(b), an insurance producer shall, within 30 days of the initial pretrial hearing date, 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, 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 of 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), 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 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; additionally, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

WHEREAS, on June 20, 2022, the Commissioner issued the OTSC, alleging that Adamo violated various New Jersey insurance laws by as set forth in the following:

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that beginning on February 8, 2006, Respondent was a licensed resident insurance producer in the state of New Jersey; and

IT FURTHER APPEARING, that on January 5, 2018, Respondent was charged by information in the United States District Court, Southern District of New York ("SDNY"), with one count of conspiracy to commit wire fraud, one count of wire fraud, and one count of aggravated identity theft ("NY Information"); and

IT FURTHER APPEARING, Respondent failed to notify the Department of the NY Information within 30 days; and

IT FURTHER APPEARING, that on January 22, 2018, Respondent answered “No” to the questions in the license renewal application which asked if he was currently charged with commission of a misdemeanor or felony, which had not previously been reported to the Department; and

IT FURTHER APPEARING, FINRA sent Respondent a Notice of Suspension on July 17, 2018; and

IT FURTHER APPEARING, Respondent did not notify the Department of the FINRA Notice of Suspension; and

IT FURTHER APPEARING, on October 22, 2018, FINRA permanently barred the Respondent for failure to request termination of his suspension within three months; and

IT FURTHER APPEARING, that Respondent did not notify the Department of his being permanently barred by FINRA; and

IT FURTHER APPEARING, that on September 12, 2019, Respondent pled guilty to, and was convicted of one count of conspiracy to commit wire fraud, one count of wire fraud, and one count of aggravated identity theft in the SDNY (“SDNY Convictions”); and

IT FURTHER APPEARING, that Respondent failed to notify the Department of the SDNY Convictions; and

IT FURTHER APPEARING, that on December 17, 2019, the New Jersey Bureau of Securities issued a Summary Bar Order against Respondent for the aforementioned conduct (“BOS Order”); and

IT FURTHER APPEARING, that Respondent failed to notify the Department of the BOS Order; and

IT FURTHER APPEARING, that on February 11, 2020, Respondent voluntarily surrendered his producer license to the Department; and

COUNT ONE

IT FURTHER APPEARING, that Respondent failed to notify the Department of the NY Information, the SDNY Convictions, the BOS Order, and the FINRA suspension and

permanent bar, in violation of N.J.S.A. 17:22A-40(a)(2), (15), (18), (19) and N.J.S.A. 17:22A-47(b) and (c); and

COUNT TWO

IT FURTHER APPEARING, that Respondent provided incorrect information on his January 22, 2018 producer license renewal application, in violation of N.J.S.A. 17:22A-40(a)(1), (2), (3), (18), and (19); and

IT FURTHER APPEARING, that as set forth in the certification of service of Ashleigh B. Shelton, Deputy Attorney General (attached as Exhibit 1), Respondent was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to the OTSC, which was duly served on Respondent by certified and regular mail to the address listed on this Final Order in accordance with N.J.A.C. 11:17D-2.1(a)(3); and

IT FURTHER APPEARING, that Respondent has waived his right to a hearing to contest these charges and the charges are deemed admitted, pursuant to N.J.A.C. 11:17D-2.1(b)(1); and

IT FURTHER APPEARING, the Commissioner has reviewed the civil penalty factors under Kimmelman v. Henkels & McCoy, Inc., 108 N.J. 123, 137-139 (1987), and finds that Respondent engaged in significant criminal conduct and failed to notify the Department, for a period of approximately two years, of his resulting SDNY Convictions, the BOS Order, and his permanent bar from FINRA, which demonstrates both his bad faith as well as the duration of the misconduct.

NOW, THEREFORE, IT IS on this 17th day of March, 2023

ORDERED, that the charges contained in Counts One and Two of the OTSC are deemed admitted by Respondent pursuant to N.J.A.C. 11:17D-2.1(b)(1); and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-40, and N.J.A.C. 11:17D-2.1(b)(2), the resident insurance producer license of Respondent is hereby **REVOKED** effective upon the execution of this Final Order by the Commissioner; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45(c), and upon review of the Kimmelman factors above, Respondent shall pay a civil penalty in the total amount of \$15,000.00 to the Commissioner, as follows: \$5,000 for Count One of the OTSC and \$10,000 for Count Two of the OTSC;

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45(c), Respondent shall reimburse the Department of Banking and Insurance, Division of Insurance Enforcement, for the costs associated with the investigation and prosecution of this matter, as evidenced by the Certification of Costs by Investigator Matthew Gervasio (attached as Exhibit 2), totaling \$400.00. The Commissioner approves the investigative costs as reasonable; and

IT IS FURTHER ORDERED, that Respondent shall pay the above penalties and costs in the total amount of \$15,400 to the Commissioner of Banking and Insurance, State of New Jersey, P.O. Box 329, Trenton, New Jersey 08625, Attention: Virgil Downtin, Chief of Investigations, by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," within ten (10) days from the date of service of this Order; and

IT IS FURTHER ORDERED, that in the event full payment of the penalty and costs 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 accordance with the Penalty Enforcement Law, N.J.S.A. 2A:58-10 to -12; and

IT IS FURTHER ORDERED, that the civil penalty in this Final Order is imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and the protection

of the public health, safety and welfare, and is not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED, that the provisions of this Final Order represent a final agency decision and constitute a final resolution of the allegations contained in the OTSC.

A handwritten signature in blue ink, appearing to read "M. Caride".

Marlene Caride
Commissioner