ORDER NO. E24-~~E24-~~ E26-05

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 Angelo Maimone and eSurranty, Inc.	)))))	**FINAL ORDER**

TO: Angelo Maimone and
19060 SW 128th Avenue
Miami, FL 33156

eSurranty, Inc.
19060 SW 128th Avenue
Miami, FL 33156

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon issuance of Order to Show Cause E24-45 (the "OTSC") alleging that Angelo Maimone ("Maimone") and eSurranty, Inc. ("eSurranty") (collectively, "Respondents"), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Maimone is not currently licensed, and has never been licensed, as an insurance producer in New Jersey; and

WHEREAS, eSurranty is a corporation incorporated in Florida on January 2, 2013, which is not currently licensed, and has never been licensed, as a business entity insurance producer in New Jersey; and

WHEREAS, Respondents are 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"), the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; 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-29, a person shall not sell, solicit or negotiate insurance in this State unless the person is licensed for that line of authority in accordance with the Producer Act; 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)(4), a person 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-40(a)(8), an insurance producer shall not use any fraudulent, coercive, or dishonest practices, or demonstrate incompetence or untrustworthiness in the conduct of insurance business; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(a), except as provided in N.J.A.C. 11:17B-2.1(b) or (e), no person shall act as an insurance producer or maintain or operate any office in this State for the transaction of the business as an insurance producer, or receive any commission, brokerage fee, compensation or other consideration for services rendered as an insurance producer,

without first obtaining a license from the Commissioner granting authority for the kind of insurance transacted; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(b), unless otherwise specifically provided by the Producer Act, any person who solicits, negotiates or sells contracts of insurance in New Jersey shall be considered to be transacting the business of insurance in New Jersey so as to require licensure as an insurance producer; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(c), engaging in a single act or transaction of the business of an insurance producer, or holding oneself out to the public or an insurance producer being so engaged, shall be sufficient proof of engaging in the business of an insurance producer so as to require licensure pursuant to the Producer Act; 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. Each transaction or statutory violation shall constitute a separate offense. Moreover, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

WHEREAS, on July 31, 2024, the Commissioner issued the OTSC, alleging that Respondents violated various New Jersey insurance laws by as set forth in the following:

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that at all relevant times, Maimone was the owner and president of eSurranty; and

IT FURTHER APPEARING, that eSurranty owned and/or

controlled the website eSurranty.com ("Website"); and

IT FURTHER APPEARING, that the content of the Website was available to all residents of the State of New Jersey; and

IT FURTHER APPEARING, that on its Website, eSurranty advertised third-party coverage for smart phones, smart watches and tablets, which covered cracks, breaks, liquid damage, mechanical malfunctions, loss, theft and non-repairable damage; and

IT FURTHER APPEARING, that as part of its advertised coverage, eSurranty offered loaner smart phones should the covered smart phone need to be repaired; and

IT FURTHER APPEARING, that the Website included a "How To" section which provided consumers instructions for cancelling coverage through individual cell phone carriers (e.g., Verizon, Sprint, AT&T, and T-Mobile) and obtain cheaper coverage with eSurranty; and

IT FURTHER APPEARING, that the Website also contained the following disclaimer:

> "*eSurranty is not an insurance company and does not sell insurance. The word insurance is used for search engine listing purposes only. We sell service plans that are administered through third-party companies that are licensed to sell these services. We do not offer services in all states and some states may not be listed on our site. Should you purchase coverage and reside in a state that we do not offer services, we will promptly refund your payment and send you notification.*" ; and

IT FURTHER APPEARING, that between 2016 and 2019, there were a total of seven (7) complaints against eSurranty by New Jersey residents; and

COMPLAINT OF I.S.

IT FURTHER APPEARING, that on or about January 1, 2017, I.S. paid eSurranty $66 for a cell phone insurance policy; and

IT FURTHER APPEARING, that in March 2017, I.S. submitted a claim to eSurranty, paid $99 to eSurranty for a loaner cell phone, and sent his insured phone to eSurranty for repair; and

IT FURTHER APPEARING, that I.S.'s insured cell phone was never fixed nor returned to him, nor was he refunded any money; and

COMPLAINT OF M.A.

IT FURTHER APPEARING, that in September 2016, M.A. paid eSurranty $451 for a cell phone insurance policy; and

IT FURTHER APPEARING, that in December 2017, M.A. submitted a claim to eSurranty and paid an additional $73.74; and

IT FURTHER APPEARING, that in January 2018, M.A. paid $99 to eSurranty for a loaner cell phone; and

IT FURTHER APPEARING, that eSurranty thereafter stopped communicating with M.A.; and

COMPLAINT OF P.M.

IT FURTHER APPEARING, that P.M. purchased a policy and then requested a refund of his premium from eSurranty, however, he never received a refund or any communication from eSurranty; and

COMPLAINT OF E.P.

IT FUTHER APPEARING, that between July 2016 and May 2017, E.P. purchased an insurance policy from eSurranty, submitted a claim and paid the deductible, and sent his phone to eSurranty for repair; and

IT FURTHER APPEARING, that eSurranty did not return E.P.'s cell phone and E.P. never received any further communication from eSurranty; and

COMPLAINT OF J.S.

IT FURTHER APPEARING, that in November 2015, J.S. purchased an insurance policy from eSurranty; and

IT FURTHER APPEARING, that in September 2016, J.S. submitted a claim to eSurranty for a lost phone and paid the requisite deductible; and

IT FURTHER APPEARING, that J.S. never received any

further communication from eSurranty; and

COMPLAINT OF E.S.

IT FURTHER APPEARING, that E.S. purchased insurance from eSurranty and submitted a claim for repair of her cell phone; and

IT FURTHER APPEARING, that E.S. paid to eSurranty a deductible and sent her cell phone to eSurranty, but her cell phone was not returned to her; and

COMPLAINT OF P.R.Y.

IT FURTHER APPEARING, that on March 20, 2017, P.R.Y. filed a claim with eSurranty and paid the deductible, but received no response from eSurranty; and

COUNT ONE

IT FURTHER APPEARING, that Respondent provided, sold, and/or offered to sell cell phone insurance to residents of New Jersey without having valid insurance producer licenses in New Jersey to do so, constituting violations of N.J.S.A. 17:22A-29, N.J.S.A. 17:22A-40(a) (2) and (8), and N.J.A.C. 11:17A-1.3(a); and

IT FURTHER APPEARING, that each transaction in violation of the provisions cited above shall constitute a separate violation of the Producer Act; and

COUNT TWO

IT FURTHER APPEARING, that on at least seven occasions, Respondents improperly withheld, misappropriated or converted money and property received in connection with claims submitted by New Jersey consumers between 2016 and 2019, constituting violations of N.J.S.A. 17:22A-40(a)(2)(4) and (8); and

IT FURTHER APPEARING that Respondents were given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to the OTSC; and

IT FURTHER APPEARING that as set forth in the Certification of Chandra M. Arkema, attached as Exhibit A, on August 1, 2024, the OTSC was served upon Respondents by regular and certified mail, return receipt requested; and

IT FURTHER APPEARING that mailed service of the OTSC upon Respondents constitutes lawful service, pursuant to N.J.A.C. 11:17D-2.1(a)(3); and

IT FURTHER APPEARING that Respondents failed to provide written responses to the charges contained in the OTSC within 20 days as provided by N.J.A.C. 11:17D-2.1(d)(1), and therefore has waived their rights 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

WHEREAS, the Commissioner has reviewed the civil penalty factors under Kimmelman v. Henkels & McCoy, Inc., 108 N.J. 123, 137-139 (1987), and finds that Respondents showed bad faith by marketing a sham product to New Jersey consumers and absconding with their money. For their illegal activity, Respondents received hundreds of dollars of insurance premiums, deductibles and other fees, which they never repaid. Moreover, Respondent refused to cooperate with the Department's investigation into this illegal activity, ignoring the Department's request to provide information about the third-party companies alleging providing coverage or what happened to the funds paid to eSurranty.

NOW, THEREFORE, IT IS on this 20th day of January 2026,

ORDERED, that the charges contained in the OTSC are deemed admitted by Respondents due to their failure to respond to the charges, pursuant to N.J.A.C. 11:17D-2.1(b)(1); and

IT IS FURTHER ORDERED, that Respondents shall be responsible, jointly and severally, for the payment totaling $75,000.00 in civil penalties for violations of the Producer Act and other insurance laws cited above as follows:

Respondents shall be responsible for the payment of civil penalties to the Department of Banking and Insurance totaling $5,000.00 for the Producer Act violations as described in Count 1 of the Order to Show Cause; and

Respondents shall be responsible for the payment of civil penalties to the Department of Banking and Insurance totaling $70,000.00 for the Producer Act violations described in Count 2 of the Order to Show Cause; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45c and N.J.A.C. 11:1-32.4(b)20, Respondents 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 Gervasio (attached as Exhibit B), totaling $775.00. The Commissioner has reviewed the investigative costs application and finds the amount of time to be reasonable; and

IT IS FURTHER ORDERED, that Respondents shall pay the above fines and costs totaling $75,775.00 by remitting full payment to the Commissioner of Banking and Insurance, State of New Jersey, 20 West State Street, P.O. Box 329, Trenton, New Jersey 08625, Attention: Eugene Shannon, Supervisor 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 pursuant to N.J.S.A. 17:22A-45(c), Respondents shall pay $165.00 in restitution to Ian Scott; and

IT IS FURTHER ORDERED, that pursuant to N.J.S.A. 17:22A-45(c), Respondents shall pay $623.74 in restitution to Michael Ajello; and

IT IS FURTHER ORDERED, that in the event full payment of the fines, costs and restitution is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid amounts, in accordance with the Penalty Enforcement Law of 1999, N.J.S.A. 2A:58-10 to -12; and

IT IS FURTHER ORDERED, that the fines in this Final Order are 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 are 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.

Justin Zimmerman
Commissioner