

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

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|--|---|---------|
| Proceedings by the Commissioner of Banking |) | |
| and Insurance, State of New Jersey, to fine |) | CONSENT |
| the insurance license of AVS Insurance Agency, |) | ORDER |
| Inc., Reference No.1039106 and Tonya L. |) | |
| Stroud, Reference No.1039100 |) | |

To: AVS Insurance Agency, Inc.
1028 Route 206 Suite 2
Bordentown, NJ 08505

Tonya L. Stroud
1024 Wall Street Route 18
Edgewater Park, NJ 08010

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that AVS Insurance Agency, Inc. ("AVS"), licensed as a resident business entity insurance producer pursuant to N.J.S.A. 17:22A-32b, and its designated responsible licensed producer ("DRLP"), Tonya L. Stroud, licensed as a resident individual insurance producer pursuant to N.J.S.A. 17:22A-32a, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, AVS Insurance Agency, Inc. and Tonya L. Stroud (collectively "Respondents") are subject to the provisions of New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (2), an insurance producer shall not violate any insurance laws, or violate any 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; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.1(a), 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

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 days after the receipt of the funds; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.2(b), all premiums due the insured shall be paid to the insured or credited to the insured's account within five days after receipt by the insurance producer from the insurer or other insurance producer or premium finance company; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.10, an insurance producer acts in a fiduciary capacity in the conduct of his or her business; and

IT APPEARING, that on and between February 14, 2013 through July 29, 2014, Respondents failed to remit insurance premium received from insured JT to insurance producer IIB or to Ullico Insurance Company for placement of an insurance policy, in violation of N.J.S.A. 17:22A-40a (2), (4) and (8), N.J.A.C. 11:17C-2.1(a), N.J.A.C. 11:17A-4.10 and N.J.A.C. 11:17C-2.2(a); and

IT FURTHER APPEARING, that on and between April 4, 2013 through July 29, 2014, Respondents failed to remit unearned insurance premium to JT for an insurance policy cancelled with Ullico Insurance Company, in violation of N.J.S.A. 17:22A-40a (2), (4) and (8), N.J.A.C. 11:17C-2.1(a), N.J.A.C. 11:17A-4.10 and N.J.A.C. 11:17C-2.2(b); and

IT FURTHER APPEARING, that cause does exist under N.J.S.A. 17:22A-40(a) and N.J.S.A. 17:22A-45c to impose a fine; and

IT FURTHER APPEARING, that the Respondents have made restitution to JT for the unremitted premium; and

IT FURTHER APPEARING, that the Respondents have waived their right to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of \$2,500.00; and

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

NOW, THEREFORE, IT IS on this  day of November 2014,

ORDERED AND AGREED, that the Respondents shall pay a fine in the amount of \$2,500.00; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check or money order made payable to the State of New Jersey, General Treasury in one payment of \$500.00 due and payable immediately upon the execution of this Consent Order by Respondent and 4 subsequent monthly installment payments of \$500.00, due and payable on or before the 25th of each month thereafter; and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the initial payment of \$500.00 and each subsequent monthly installment payments shall be remitted to:

New Jersey Department of Banking and Insurance
ATTN: Virgil Downtin, Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement
P O Box 329
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that Respondents shall be jointly and severally liable for the payment of the \$2,500.00 fine to the Department; 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 a final resolution of the violations contained herein.

IT IS FURTHER ORDERED AND AGREED, that the Respondents shall cease and desist from engaging in the conduct that gave rise to this Consent Order.



Peter L. Hartt
Acting Director of Insurance

Consented to as to
Form, Content and Entry

By: 
AVS Insurance Agency, Inc.

PRESIDENT
Title


Tonya L. Stroud - Individually

10/29/2014
Date



Margarita Miranda
Notary Public
State of New Jersey
My Commission Expires 05/12/2016

Sworn to and subscribed
before me this
29 day of Oct, 2014