

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) FINAL ORDER
and/or revoke the insurance)
producer license of Myrna)
Daugherty, Ref. No. 1019798)

TO: Myrna Daugherty
243 Sweetmans Lane
Millstone Twp., New Jersey 08535

This matter, having been opened to the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Myrna Daugherty ("Daugherty" or "Respondent") may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Daugherty was licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32, until her license expired on July 31, 2012; and

WHEREAS, Respondent is subject to the provisions of the New Jersey Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40d and N.J.A.C. 11:17-2.14(c), allowing a license to expire shall not void any

disciplinary proceeding against the licensee, nor prevent imposition of any penalty, ordered restitution, or costs; 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 this 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; 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; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45a, the commissioner shall have the power to conduct investigations, to administer oaths, to interrogate licensees and others, and to issue subpoenas to any licensee or any other person in connection with any investigation, hearing or other proceeding pursuant to this act, without fee; 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, the Commissioner issued Order to Show Cause No. E14-68 on June 12, 2014 (hereinafter, "OTSC"), alleging violations of New Jersey insurance laws by Respondents as set forth in the following Counts:

COUNT 1

IT APPEARING, that, on August 27, 2012, as an agent of United Healthcare Insurance Company ("United Healthcare"), Daugherty, solicited and submitted an enrollment application on behalf of a New Jersey resident, RC, for the sale of a United Healthcare Prescription Plan, when she was not licensed as an insurance producer; and

IT FURTHER APPEARING, that Daugherty's insurance producer license had expired on July 31, 2012; and

IT FURTHER APPEARING, that Daugherty's insurance producer license was inactive from August 1, 2012 through January 22, 2013, when the solicitation and submission of the enrollment application for RC occurred; and

IT FURTHER APPEARING that the actions and conduct on the part of Daugherty, as set forth above, violate N.J.S.A. 17:22A-40a(2) and (8); N.J.S.A. 17:22A-29; and

COUNT 2

IT FURTHER APPEARING, that Daugherty

failed to respond to the Department's inquiries on March 6, 2013 and September 19, 2013; and

IT FURTHER APPEARING, that on March 6, 2013, the Department sent a letter via certified and regular mail to Daugherty requesting her to provide a complete file on this matter and her written statement of facts, along with the supporting documents by March 16, 2013 for review by the Department; and

IT FURTHER APPEARING, that on September 19, 2013, Chief of Investigations, Virgil Downtin of the Department called Daugherty on the telephone number listed on her SBS License Panel with the Department and at that time a woman identifying herself as Daugherty's sister answered the telephone, stating that Daugherty was out of town, and would return her call; and

IT FURTHER APPEARING, that Daugherty has failed to respond to the Department's inquiries and that the actions and conduct on the part of Daugherty, as set forth above, violate N.J.S.A. 17:22A-40a(2) and (8); and N.J.A.C. 11:17A-4.8; and

IT FURTHER APPEARING that as set forth in the certification of service of Kristina Cretella, Deputy Attorney General, attached hereto as Exhibit 1, Respondent was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to Order to Show Cause No. E14-68, which were duly served by certified and regular mail to the address listed in this Final Order in accordance with

N.J.A.C. 11:17D-2.1(a)3; and

IT FURTHER APPEARING that, although due notice of the charges provided an opportunity to oppose the allegations, Respondent failed to provide a written response to the charges contained in Order to Show Cause No. E14-68 within 20 days as provided by N.J.A.C. 11:17D-2.1(d), and therefore Respondent has waived her 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);

NOW, THEREFORE, IT IS on this ^{17th} day of ~~November~~, 2014:

ORDERED that the charges contained in Order to Show Cause No. E14-68 are deemed admitted by Respondent pursuant to N.J.A.C. 11:17D-2.1(b); 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 expired 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-45c, Respondent shall be responsible for the payment of \$15,000.00 in fines to the Commissioner for the violations contained in Order to Show Cause No. E14-68. Specifically, \$5,000.00 for Count 1, soliciting and submitting an enrollment application on behalf of a New Jersey resident, RC, for the sale

of a United Healthcare Prescription Plan, when she was not licensed as an insurance producer; and \$10,000.00 for Count 2, failing to respond to the Department's two inquiries of March 6, 2013 and September 19, 2013, pursuant to the provisions of N.J.S.A. 17:22A-40 and N.J.S.A. 17:22A-45c.

IT IS FURTHER ORDERED that Respondent shall pay the above fine in full by remitting 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: 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

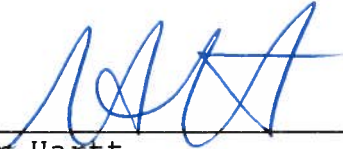
IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-45c and N.J.A.C. 11:1-32.4(b)20, Respondent shall reimburse the Department of Banking and Insurance for the costs associated with the investigation of this matter, as evidenced by the Certification of Investigator Daxesh M. Patel, attached hereto as Exhibit 2, totaling \$250.00 by means of a certified check, cashier's check or money order made payable to the State of New Jersey, General Treasury, which shall be remitted to the Commissioner of Banking and Insurance, State of New Jersey, 20

West State Street, P.O. Box 329, Trenton, New Jersey 08625,
Attention: Virgil Downtin, Chief of Investigations, within ten
(10) days from the date of service of this; and

IT IS FURTHER ORDERED that in the event full payment of
the fines and costs are 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 et seq.; 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 Order to Show
Cause No. E14-68.



Peter Hartt
Acting Director of Insurance

EXHIBIT 1

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiff
Richard J. Hughes Justice Complex
25 Market Street
P. O. Box 117
Trenton, New Jersey 08625-0117

By: Kristina Cretella
Deputy Attorney General
(609) 984-8469
NJ Attorney ID: 063712013
kristina.cretella@dol.lps.state.nj.us

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)	CERTIFICATION OF
and/or revoke the insurance)	DEPUTY ATTORNEY GENERAL
producer license of Myrna)	KRISTINA CRETELLA
Daugherty, Ref. No. 1019798)	

I, Kristina Cretella, of full age, do of my own personal knowledge make the following statements by way of certification in lieu of affidavit pursuant to R. 1:4-4(b):

1. I am a Deputy Attorney General assigned as counsel for the Commissioner of Banking and Insurance, State of New Jersey, ("the Commissioner"), in the above-captioned matter. I submit this certification in support of the Commissioner's request that a Final Order be entered against Respondent Myrna Daugherty.

2. On June 12, 2014, the Commissioner issued Order to Show Cause No. E14-68 against Myrna Daugherty ("Respondent") charging her with violations of the insurance laws of this State

specifically N.J.S.A. 17:22A-40a(2) and (8); N.J.S.A. 11:17A-4.8; and N.J.S.A. 17:33A-1, et seq.

3. Under cover letter dated June 12, 2014, our office served Respondent Myrna Daughterty with Order to Show Cause No. E14-68 at Respondent's residential address. Specifically, the cover letter and Order to Show Cause were sent via certified mail, return receipt requested, and regular mail to Respondent Myrna Daughterty's address at 243 Sweetmans Lane, Millstone Twp., New Jersey 08535.

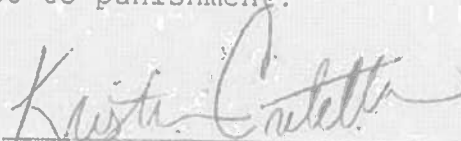
4. Respondent Myrna Daughterty was successfully served at 243 Sweetmans Lane, Millstone Twp., New Jersey, 08535 as evidenced by the fact that the regular mail was not returned to this office (the certified mailing was returned to our office as "unclaimed").

5. The successful service of the Order to Show Cause to Respondent Myrna Daughterty provided Respondent with an opportunity to contest the charges of Order to Show Cause No. E14-68 at a hearing, and provided that Respondent Myrna Daughterty must file with the Commissioner an Answer to the charges of the Order to Show Cause, including a Request for a Hearing, within twenty (20) days of service of the Order to Show Cause upon Respondent Myrna Daughterty, as provided by N.J.A.C. 11:17D-2.1(d).

6. To date, Respondent Myrna Daughterty has failed to provide any written response to the charges contained in

Order to Show Cause No. E14-68.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



Kristina Cretella
Deputy Attorney General

Dated: November 10, 2014

EXHIBIT 2

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiff
Richard J. Hughes Justice Complex
25 Market Street
P. O. Box 117
Trenton, New Jersey 08625

IN THE MATTER OF:

Proceedings by the Commissioner)	
of Banking and Insurance, State)	CERTIFICATION OF
of New Jersey, to fine, suspend)	INVESTIGATOR
and/or revoke the insurance)	DAXESH M. PATEL
producer license of Myrna)	
Daugherty, Ref. No. 1019798)	

I, Daxesh M. Patel, of full age, do of my own personal knowledge make the following statements by way of certification in lieu of affidavit pursuant to R. 1:4-4(b):

1. I am an investigator with the New Jersey Department of Banking and Insurance, Division of Enforcement and Consumer Protection ("Department").

2. This certification is submitted in support of the Department's application for reimbursement of its costs of investigation and prosecution, in accordance with N.J.S.A. 17:22A-45c.

3. On or about February 26, 2013, I was assigned responsibility for conducting an investigation to determine whether Myrna Daugherty, may have violated certain provisions of the New Jersey Producer Licensing Act of 2001, N.J.S.A. 17:22A-

26 et seq., which investigation contributed to the issuance of an Order to Show Cause.

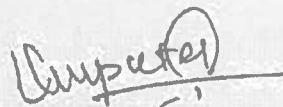
4. To determine the amount of time that I spent in the investigation and prosecution of this matter, I reviewed my files relative to this matter, including my time records. On the basis of this review, I have prepared the schedule of costs attached hereto as Exhibit A.

5. As this schedule reflects, the investigative efforts expended by the Department of Insurance concerning this matter were a total of 5.0 hours.

6. Pursuant to N.J.A.C. 11:1-32.4(b)(20), costs to the Department for the investigation and prosecution for violations of the New Jersey Insurance Producer Licensing Act, N.J.S.A. 17:22A-26 et seq., are reimbursable at the rate of \$50.00 per hour, rounded to the nearest quarter hour.

7. I therefore request that the Department's costs of investigation and prosecution be reimbursed in the amount of \$250.00.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.



Daxesh M. Patel

Dated: 11/10/2014

EXHIBIT A

Exhibit A

RECORD OF TIME EXPENDED ON INVESTIGATION

Re: Myrna Daugherty
Order to Show Cause No. E14-68

Department File No.: 156034
Investigator: Daxesh M. Patel

Date	Time Spent Hours/Mins.	Phone	Case Prep	Comments
2/26/2013	.50		X	File Review
3/5/2013	.25	X		Phone Call to Jeff Jost, Mgr. of United Healthcare
3/6/2013	.50		X	Prepared and sent letter of request
5/17/2013	.25		X	Conducted and reviewed an accurint search report
5/20/2013	.25	X		Phone Call to the producer Daugherty
7/23/2013	.25		X	Conducted reverse look up of Producer's phone number
7/23/2013	.25		X	Prepared and sent BFD look up form
9/18/2013	.25		X	Received and reviewed the BFD look up report
9/19/2013	.25	X		Phone Call at the producer's home address
10/2/2013 and 10/3/2013	.25	X		Phone calls to the producer Daugherty
10/23/2013	1.00		X	Prepared F & E.
7/15/2014	1.00		X	Prepared cost of investigation (Exhibit A)
Total Hours: 5.00 Hours 5.00 Hours @ \$50.00/Hour = \$250.00				