

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, )  
suspend, and/or revoke the public adjuster )  
licenses of Pristine Adjusters Inc., Reference )  
No. 1556586, and Vincent A. Thomas, )  
Reference No. 1362997 )  
\_\_\_\_\_ )

**ORDER TO SHOW CAUSE**

TO: Pristine Adjusters Inc.  
305 Harding Court  
Jackson, New Jersey 08527

Vincent A. Thomas  
305 Harding Court  
Jackson, New Jersey 08527

Vincent A. Thomas  
1150 Quaye Lake Circle, Unit 103  
West Palm Beach, Florida 33411

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Pristine Adjusters Inc. (“Pristine”) and Vincent A. Thomas (“Thomas”) (collectively, “Respondents”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Pristine was formerly licensed as a public adjuster in the State of New Jersey, pursuant to N.J.S.A. 17:22B-5, until March 8, 2017, when its license was cancelled due to termination of the bond required by N.J.S.A. 17:22B-12; and

WHEREAS, Thomas was formerly licensed as a public adjuster in the State of New Jersey, pursuant to N.J.S.A. 17:22B-5, until October 31, 2018, when his license expired; and

WHEREAS, at all relevant times, Thomas was the owner and president of Pristine and therefore individually responsible for all insurance related conduct of Pristine under N.J.A.C. 11:1-12.2(a); and

WHEREAS, Respondents are subject to the provisions of the New Jersey Public Adjusters' Licensing Act, N.J.S.A. 17:22B-1 to -20 ("Public Adjusters' Act") and the regulations promulgated thereunder, N.J.A.C. 11:1-37.1 to -37.19; and

WHEREAS, pursuant to N.J.S.A. 17:22B-13c, no individual, firm, association or corporation licensed under the Public Adjusters' Act shall have any right to compensation from any insured for or on account of services rendered to an insured as a public adjuster unless the right to compensation is based upon a written memorandum, signed by the party to be charged and by the adjuster, and specifying or clearly defining the services to be rendered and the amount or extent of the compensation on a form and with such language as the Commissioner may prescribe; and

WHEREAS, pursuant to N.J.S.A. 17:22B-13f, no licensed public adjuster shall receive, accept or hold any moneys towards the settlement of a claim for loss or damage on behalf of an insured unless the public adjuster deposits the moneys in an interest bearing escrow account in a banking institution or savings and loan association in this State insured by an agency of the federal government. Any funds held in escrow together with interest accumulated thereon shall be the property of the insured until disbursement thereof pursuant to a written memorandum, signed by the insured and by the adjuster, specifying or clearly defining the services rendered and the amount of any compensation to be paid therefrom; and

WHEREAS, pursuant to N.J.S.A. 17:22B-14a(1), the Commissioner may suspend or revoke any adjuster's license if, after notice and opportunity for a hearing, the Commissioner

determines that the licensee has violated any provision of the insurance law, including any rules promulgated by the Commissioner, or has violated any law in the course of his, or its, dealings as an adjuster; and

WHEREAS, pursuant to N.J.S.A. 17:22B-14a(3), the Commissioner may suspend or revoke any adjuster's license if, after notice and opportunity for a hearing, the Commissioner determines that the licensee has committed a fraudulent or dishonest act; and

WHEREAS, pursuant to N.J.S.A. 17:22B-14a(4), the Commissioner may suspend or revoke any adjuster's license if, after notice and opportunity for a hearing, the Commissioner determines that the licensee has demonstrated incompetency, lack of integrity, bad faith, dishonesty, financial irresponsibility or untrustworthiness to act as an adjuster; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.11(a), any public adjuster who receives, accepts or holds any moneys, on behalf of an insured, towards the settlement of a claim for loss or damage, shall deposit such moneys in an interest bearing escrow or trust account in a financial institution in this State which is insured by an agency of the Federal government; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.11(b), any funds held in an escrow or trust account and interest accruing thereon shall be the property of the insured, and such moneys shall be held pursuant to a written agreement signed by the insured and by the public adjuster which shall clearly specify the services rendered or to be rendered and the amount of any services to be paid from the escrowed funds; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.13(b)3iii, the written memorandum or contract between a licensed public adjuster and an insured shall contain the time and date of execution of the contract (day, month, year) by each party; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.14(a), Commissioner may suspend or revoke a public adjuster's license based on any violation of the Public Adjusters' Act or the regulations promulgated thereunder, or for the commission or omission of any act by a public adjuster which demonstrates that the licensee is not competent or trustworthy to act as a public adjuster, or where the person has, among other things: (1) Violated any provision of this State's insurance laws, including any rules promulgated thereunder; (2) Violated any law in the course of acting as a public adjuster; (3) Committed a fraudulent or dishonest act; (4) Demonstrated the licensee's lack of integrity, incompetency, bad faith, dishonesty, financial irresponsibility, or untrustworthiness to act as a public adjuster; (9) Misappropriated, converted or illegally withheld, money which was received in the conduct of business that belonged to insurers, clients or others; or (11) Failed to appear in response to any subpoena issued by the Commissioner or his authorized designee; failed to produce any documents or other material requested in a subpoena; or refused or failed to cooperate with an investigation by the Commissioner of the activities of the person or any other licensee; and

WHEREAS, pursuant to N.J.S.A. 17:22B-17 and N.J.A.C. 11:1-37.14(b), any person who violates any provision of the Public Adjusters' Act or the regulations promulgated thereunder shall, in addition to any other penalties provided by law, be liable for a civil penalty of not more than \$ 2,500 for a first offense and not more than \$ 5,000 for the second and each subsequent offense. Each transaction or statutory violation shall constitute a separate offense and the Commissioner may order restitution and payment of costs; and

## **FACTUAL ALLEGATIONS**

### **CONSUMER A.D.**

IT APPEARING, that on March 14, 2017, Respondents entered into a public adjuster contract with consumer A.D. to assist A.D. in the adjustment of an insurance claim arising from a broken pipe; and

IT FURTHER APPEARING, that the contract between Respondents and A.D. failed to identify the time of day the contract was signed; and

IT FURTHER APPEARING, that on April 24, 2017, A.D.'s insurance company, New Jersey Manufacturers Insurance Company ("NJM"), issued a \$62,351.93 check for the broken pipe claim to A.D., his wife, PNC Bank and Pristine; and

IT FURTHER APPEARING, that on or about May 17, 2017, Respondents deposited the \$62,351.93 check into their account at Chase Bank; and

IT FURTHER APPEARING, that on or about May 20, 2017, Respondents issued a check to A.D. and his wife for \$53,047.00, representing the amount paid by NJM minus Respondents' fee of \$9,304.93; and

IT FURTHER APPEARING, that the check issued by Respondents was not issued from an escrow or trust account; and

IT FURTHER APPEARING, that A.D. attempted to deposit the check from Respondents into his account but on May 24, 2017, but it was returned for insufficient funds; and

IT FURTHER APPEARING, that to date, Respondents have failed to remit to A.D. the \$53,047.00 he is owed; and

CONSUMER R.Z.

IT FURTHER APPEARING, that on September 16, 2016, Respondents entered into a public adjuster contract with consumer R.Z. to assist R.Z. in the adjustment of an insurance claim arising from a broken pipe; and

IT FURTHER APPEARING, that the contract between Respondents and R.Z. failed to identify the time of day the contract was signed; and

IT FURTHER APPEARING, R.Z.'s insurance company, NJM, issued checks of \$3,447.50 on November 16, 2016 and of \$8,507.12 on November 18, 2016 for the broken pipe for a total claim payment of \$11,954.52; and

IT FURTHER APPEARING, that the contract between R.Z. and Respondents provides for a fee to Respondents of 10% of the total insurance settlement proceeds; and

IT FURTHER APPEARING, that 10% of the \$11,954.62 total insurance settlement proceeds paid to R.Z. is \$1,195.46, which is the amount agreed upon in the contract between R.Z. and Respondents, but Respondents retained the entire \$3,447.50 paid by NJM in the November 14, 2016 check, and have failed to remit to R.Z. the \$2,252.04 he is owed (i.e., the difference between what Respondents retained, \$3,447.50, and what they were due, \$1,195.46); and

CONSUMER A.V.

IT FURTHER APPEARING, that on April 5, 2016, Respondents entered into a public adjuster contract with consumer A.V. and his company P.C.D.A. to assist A.V. and his company P.C.D.A. in the adjustment of an insurance claim arising from water damage; and

IT FURTHER APPEARING, that on April 25, 2016, P.C.D.A.'s insurance company, State Farm Fire and Casualty Company ("State Farm"), issued a \$39,214.81 check for the water damage claim to Pristine and P.C.D.A., among other checks issued on other dates; and

IT FURTHER APPEARING, that Respondents deposited the \$39,214.81 check into their bank account; and

IT FURTHER APPEARING, that Respondents retained the entire \$39,214.81; and

IT FURTHER APPEARING, that the contract between A.V. and Respondents provides for a fee to Respondents of 10% of the total insurance settlement proceeds; and

IT FURTHER APPEARING, that Respondents did properly pay A.V. 90% of the insurance settlement proceeds except for the \$39,214.81 check, of which Respondents kept all the funds; and

IT FURTHER APPEARING, that 10% of the \$39,214.81 check is \$3,921.48, which is the amount agreed upon in the contact between A.V. and Respondents, but Respondents retained the entire \$39,214.81 paid by State Farm, and have failed to remit to A.V. the \$35,293.33 he is owed; and

CONSUMER C.R.

IT FURTHER APPEARING, that on October 21, 2016, Respondents entered into a public adjuster contract with consumer C.R. to assist C.R. in the adjustment of an insurance claim arising from a broken pipe; and

IT FURTHER APPEARING, that the contract between Respondents and C.R. failed to identify the time of day the contract was signed; and

IT FURTHER APPEARING, that on February 17, 2017, C.R.'s insurance company, Occidental Fire & Casualty ("Occidental"), issued a \$10,000.00 check for the broken pipe claim to Pristine, C.R., and CMC Funding Insurance Center ISAOA/ATIMA; and

IT FURTHER APPEARING, that Respondents' agreement with C.R. was for a 10% fee, which amounts to \$1,000.00; and

IT FURTHER APPEARING, that Respondents agreed to waive their fee because C.R. used a contractor Respondents had recommended to C.R.; and

IT FURTHER APPEARING, that Respondents offered to C.R. that they deposit the \$10,000.00 check into their escrow account, and then send him a new check for the full \$10,000.00; and

IT FURTHER APPEARING, that C.R. did turn over the fully-endorsed check to Respondents; and

IT FURTHER APPEARING, that on or about May 2, 2017, Respondents issued to C.R. a new check in the amount of \$10,000.00, which was drawn on Respondents' business account, not an escrow or trust account, and which was returned by C.R.'s bank for insufficient funds; and

IT FURTHER APPEARING, that Respondents never paid any of the \$10,000.00 in funds to C.R., which entire amount remains due to C.R.; and

#### RESPONDENTS' FAILURE TO RESPOND TO THE DEPARTMENT

IT FURTHER APPEARING, that on October 5, 2017, the Department sent a letter to Respondents by regular and certified mail requesting a response to some of the allegations described in this Order to Show Cause; and



IT FURTHER APPEARING, that the regular mail was not returned and United State Postal Service tracking shows that the certified mail was delivered; and

IT FURTHER APPEARING, that Respondents never responded to the Department's letter; and

**COUNT 1**

IT FURTHER APPEARING, that Respondents failed to remit insurance claim proceeds, specifically the following: (1) \$53,047.00 to consumer A.D.; (2) \$2,252.04 to consumer R.Z.; (3) \$35,293.33 to consumer A.V.; and (4) \$10,000.00 to consumer C.R., in violation of N.J.S.A. 17:22B-14a(1), (3) and (4), N.J.S.A. 17:22B-13f; N.J.A.C. 11:1-37.11(a) and (b), and N.J.A.C. 11:1-37.14(a)(1), (2), (3), (4), and (9); and

**COUNT 2**

IT FURTHER APPEARING, that Respondents issued claim settlement checks to consumers A.D. and C.R. which were not honored by Respondents' financial institution, in violation of N.J.S.A. 17:22B-14a(1), (3) and (4), N.J.S.A. 17:22B-13f; N.J.A.C. 11:1-37.11(a) and (b), and N.J.A.C. 11:1-37.14(a)(1), (2), (3), (4), and (9); and

**COUNT 3**

IT FURTHER APPEARING, that Respondents issued claim settlement checks to consumers A.D. and C.R. from a regular business bank account, and thus Respondents failed to hold A.D. and C.R.'s funds in an escrow or trust account, in violation of N.J.S.A. 17:22B-14a(1), (3) and (4), N.J.S.A. 17:22B-13f; N.J.A.C. 11:1-37.11(a) and (b), and N.J.A.C. 11:1-37.14(a)(1), (2), and (4); and

**COUNT 4**

IT FURTHER APPEARING, that Respondents' contracts with A.D., R.Z., and C.R. did not list the time of day each contract was signed, in violation of N.J.S.A. 17:22B-14a(1) and (4), N.J.S.A. 17:22B-13c; and N.J.A.C. 11:1-37.14(a)(1), (2), and (4); and

**COUNT 5**

IT FURTHER APPEARING, that Respondents failed to respond to the Department's inquiry concerning some of the allegations described in this Order to Show Cause, in violation of N.J.S.A. 17:22B-14a(1), and N.J.A.C. 11:1-37.14(a)(1), (2), (4), and (11); and

NOW, THEREFORE, IT IS on this *2<sup>nd</sup>* day of *January*, 2019:

ORDERED, that pursuant to the provisions of N.J.S.A. 17:22B-14a, Respondents shall appear and show cause why their public adjuster licenses should not be revoked by the Commissioner; and

IT IS FURTHER ORDERED, that Respondents shall appear and show cause why the Commissioner should not assess fines not exceeding \$2,500.00 for the first violation and not exceeding \$5,000.00 for each subsequent violation, pursuant to the provisions of N.J.S.A. 17:22B-17 due to their failure to comply with New Jersey's insurance laws and regulations; and

IT IS FURTHER ORDERED, that, pursuant to N.J.S.A. 17:22B-17, Respondents shall appear and show cause why they should not be subject to additional penalties, including restitution to their victims and reimbursement of the costs of investigation and prosecution by the Department of Banking and Insurance; and

IT IS PROVIDED that, Respondents have the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their own expense, to

take testimony, to call or cross-examine witnesses, to have subpoena and subpoena duces tecum issued and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED that, unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Respondents and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, New Jersey Department of Banking and Insurance, P.O. Box 329, Trenton, N.J. 08625 or by faxing the request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General Nicholas Kant at PO Box 117, Trenton, New Jersey 08625. The request shall contain:

- (A) Each Respondent's name, address, and daytime telephone number;
- (B) A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
- (C) A specific admission or denial of each fact alleged in this Order to Show Cause. Where Respondent has no specific knowledge regarding a fact alleged in this Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
- (D) A statement requesting a hearing.

  
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Marlene Caride  
Commissioner