

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

|  |   |               |
|--|---|---------------|
|  | ) | ORDER         |
|  | ) | TO SHOW CAUSE |
| Proceedings by the Commissioner of           | ) |               |
| Banking and Insurance, State of New Jersey,  | ) |               |
| to fine, suspend and/or revoke the insurance | ) |               |
| producer license of Glen Cardace, Reference  | ) |               |
| No. 0234705                                  | ) |               |

TO: Glen Cardace  
45 S. Sailors Quay Drive  
Brick, New Jersey 08534-4135

This matter, having been opened by the Commissioner of Banking and Insurance, State of New Jersey (“Commissioner”), upon information that Glen Cardace (“Cardace” or “Respondent”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent is licensed as a resident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32(a); 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” ), the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 to -30 (“Fraud Act”), the Producer Licensing regulations promulgated thereunder, N.J.A.C. 11:17-1.1 to -2.17, and 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(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)(7), an insurance producer shall not commit any insurance unfair trade practice or fraud; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(10), an insurance producer shall not forge another's name to an application for insurance or to any document related to an insurance transaction; 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. 17:33A-4(a)(4)(b), no person shall prepare or make any written or oral statement, intended to be presented to any insurance company or producer for the purpose of obtaining an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to an insurance application or contract; 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 or may levy a civil penalty 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 of up to \$5,000.00 for the first offense and up to \$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, pursuant to N.J.S.A. 17:33A-5(a) and (c), violations of the Fraud Act subject the violator to a civil and administrative penalty of up to \$5,000.00 for the first offense, of up to \$10,000.00 for the second offense and of up to \$15,000.00 for each subsequent offense; additionally, the Commissioner may issue a final order recovering costs of prosecution, including attorneys' fees, in accordance with N.J.A.C. 11:16-7.9(c); and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, any person who is found in any legal proceeding to have committed insurance fraud shall be subject to a surcharge in the amount of \$1,000, in addition to any other penalty, fine or charge imposed pursuant to law; and

**ALLEGATIONS COMMON TO ALL COUNTS**

IT APPEARING, that at all relevant times, Respondent was a licensed insurance producer in the State of New Jersey; and

IT FURTHER APPEARING, that at all relevant times, Respondent was married to "K.C.", and

IT FURTHER APPEARING, that on or about April 17, 2017, Respondent contacted the Gerber Life Insurance Company ("Gerber Life"), via telephone, and falsely represented himself as K.C. for the purposes of completing and signing a life insurance application in his wife's name; and

IT FURTHER APPEARING, that on or about April 25, 2017, Respondent contacted Gerber Life, via telephone, and again falsely represented himself as K.C. to help facilitate the processing and approval of the pending insurance application he had fraudulently completed and signed in his wife's name; and

IT FURTHER APPEARING, that on or about May 2, 2017, to further facilitate the processing and approval of said insurance application, Respondent again contacted Gerber Life,

via telephone, and gave false assurances to Gerber Life that it was K.C. herself who had, in fact, completed and signed the pending application for a life insurance policy; and

IT FURTHER APPEARING, that on or about May 2, 2017, as a direct consequence of Respondent's actions, Gerber Life issued a life insurance policy in the name of K.C. which designated Respondent as the primary beneficiary, and Respondent thereafter paid the monthly premium due for said policy; and

IT FURTHER APPEARING, that in or about November 2017, upon being informed that a life insurance policy had been issued in her name, K.C. advised Gerber Life that the life insurance application completed and signed in her name was fraudulent, and directed Gerber Life to cancel said policy; and

**COUNT 1**  
(Producer Act violations)

IT FURTHER APPEARING, that Respondent knowingly engaged in fraudulent and deceitful conduct in connection with the issuance of an insurance policy by Gerber Life, specifically by misrepresenting his own identity and fraudulently assuming the identity of K.C. for purposes of applying for a life insurance policy in his wife's name without her authorization, consent or knowledge, in violation of N.J.S.A. 17:22A-40(a)(2), (7), (8), (10) and (16); and

**COUNT 2**  
(Fraud Act violations)

IT FURTHER APPEARING, Respondent made statements to Gerber Life for the purpose of obtaining an insurance policy knowing said statements were materially false and misleading, specifically by misrepresenting his own identity and fraudulently assuming the identity of K.C. for purposes of verifying to Gerber Life that K.C. was the person completing and signing said life insurance application as her own act and decision when, in fact, she had no knowledge of said

application and did not give Respondent any authorization or consent to act on her behalf, in violation of N.J.S.A. 17:33A-4(a)(4)(b); and

**NOW, THEREFORE, IT IS** on this *16<sup>th</sup>* day of *December*, 2019

**ORDERED**, that Respondent appear and show cause why his New Jersey insurance producer license should not be suspended or revoked pursuant to N.J.S.A. 17:22A-40(a); and

**IT IS FURTHER ORDERED**, that Respondent appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and up to \$10,000.00 for each subsequent violation of the Producer Act and order Respondent to pay restitution of moneys owed to any person, pursuant to N.J.S.A. 17:22A-45(c); and

**IT IS FURTHER ORDERED**, that Respondent appear and show cause why, in addition to any other penalty, he should not be required to reimburse the Department for the costs of the investigation and prosecution as authorized by N.J.S.A. 17:22A-45(c); and

**IT IS FURTHER ORDERED**, that Respondent appear and show cause why the Commissioner should not assess a penalty of up to \$5,000 for the first violation, up to \$10,000 for the second violation, and up to \$15,000 for each subsequent violation of the Fraud Act and order restitution, pursuant to N.J.S.A. 17:33A-5(c); and

**IT IS FURTHER ORDERED**, that Respondent appear and show cause why the Commissioner should not assess costs of prosecution, including attorneys' fees, pursuant to N.J.S.A. 17:33A-5(c); and

**IT IS FURTHER ORDERED**, that Respondent appear and show cause why the Commissioner should not assess a surcharge in the amount of \$1,000.00 against Respondent, pursuant to N.J.S.A. 17:33A-5.1; and

IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their expense, to take testimony, to call or cross-examine witnesses, to have subpoenas 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 Respondent 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, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625, or by faxing the hearing request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Dakar R. Ross, Deputy Attorney General, Department of Banking and Insurance, P.O. Box 117, Trenton, New Jersey 08625. The request from each respondent shall contain the following:

- A. Respondent's full 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 the 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