



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 Producer Licensing regulations, 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)(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-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.A.C. 11:17B-3.1(b), any insurance producer charging a fee to an insured or prospective insured shall first obtain from the insured or prospective insured a written agreement, which shall be separate and apart from all other agreements and applications, and shall contain the following provisions and no other provisions: (1) A clear statement of the amount of the fee to be charged and the nature of the service to be provided therefor; (2) A statement that such fees are not a part of the premium charged by the insurance company and that such fees can be charged only if the insured or prospective insured so consents in writing; (3) A clear statement as to whether a commission will be received from the purchase of insurance; and (4) The signature of the insured or prospective insured and the licensed insurance producer and the date of execution of the agreement; and

WHEREAS, pursuant to N.J.A.C. 11:17B-3.1(c), any fee charged by an insurance producer shall bear a reasonable relationship to the services provided and shall not be discriminatory; and

WHEREAS, pursuant to N.J.A.C. 11:17B-3.2(a)(1), an insurance producer shall not charge a fee for services rendered in connection with the sale or service of personal lines property/casualty insurance for any one policy in excess of twenty dollars (\$20.00); and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.2(a), an insurance producer shall remit to the insurer all premium funds within five (5) business days after receipt of same from the insured, with certain exceptions; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.3(i), the balance of the trust account established and maintained by the insurance producer for receiving deposits and remitting payments of insurance premium funds shall at all times be at least equal to the amount deposited less lawful withdrawals, except where the sole reason for the deficiency is the failure by a bank to honor checks of insureds or prospective insureds accepted in good faith as payment of premiums, and if the trust account balance is less than the amount deposited, less lawful withdrawals, the insurance producer shall be deemed to be in violation of N.J.A.C. 11:17C-1.1 to -2.6 and shall be subject to penalties as provided by N.J.A.C. 11:17C-1.3; and

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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 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

**ALLEGATIONS COMMON TO ALL COUNTS**

IT APPEARING, that at all relevant times, Levinn was a non-resident insurance producer licensed in the State of New Jersey and, at the time of the alleged violations, was also the owner, president and DRLP of Maxx; and

IT FURTHER APPEARING, that at the time of the alleged violations, Levinn had established and maintained a trust account entitled “Maxx Coverage Corp. Premium Account” (“Trust Account”) into which he deposited the insurance premiums funds received by Maxx from its clients and from which he withdrawn the premium remittances due insurers and other insurance producers from Maxx; and

**COUNT 1**

IT FURTHER APPEARING, that in or about July 2017, “J.C.” was a client of Respondents and had engaged Respondents to procure a homeowner’s insurance policy for his New Jersey residence; and

IT FURTHER APPEARING, that on or about July 7, 2017, Respondents requested and received from J.C. a check in the amount of \$1,143.00 in payment of the insurance premium on a homeowner’s policy issued by Hyundai Marine & Fire Insurance Company (“Hyundai”); and

IT FURTHER APPEARING, that on or about August 9, 2017, Hyundai issued to J.C. a “Notice of Cancellation” for non-payment of insurance premium as a consequence of Respondents having failed to remit to Hyundai the insurance premium funds within five (5) business days after receipt of same from J.C. in violation of N.J.S.A. 17:22A-40(a)(2), (4) and (8); and N.J.A.C. 11:17C-2.2(a); and

## COUNT 2

IT FURTHER APPEARING, on or about September 2, 2017, Respondents remitted to Hyundai a Trust Account check in the amount of \$1,143.00 to pay the outstanding balance due for J.C.'s insurance premium in order to have J.C.'s homeowner's policy reinstated; and

IT FURTHER APPEARING, that on or about September 25, 2017, the bank returned Maxx's Trust Account check to Hyundai without negotiating same, causing Hyundai to then issue to J.C. a second "Notice of Cancellation" for non-payment of insurance premium on or about October 1, 2017; and

IT FURTHER APPEARING, that Respondents' issuance of check to an insurance company for the payment of premium that was returned due to insufficient funds to satisfy the full payment of said check is in violation of N.J.S.A. 17:22A-40(a)(2) and (8), and N.J.A.C. 11:17C-2.3(i); and

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## COUNT 3

IT FURTHER APPEARING, that on or about July 7, 2017, Respondents also requested and received from J.C. a check in the amount of \$150.00 in payment of a service fee charged by Respondents for procuring a homeowner's insurance policy; and

IT FURTHER APPEARING, that Respondents collected a service fee without first obtaining from J.C. a written agreement that contained certain specified provisions, as well as the signatures of the insured and licensed insurance producer and the date of execution of said agreement, in violation of N.J.S.A. 17:22A-40(a)(2) and (8), and N.J.A.C. 11:17B-3.1(b); and

IT FURTHER APPEARING, that Respondents collected a service fee that did not bear a reasonable relationship to the actual services being provided to the insured in violation of N.J.S.A. 17:22A-40(a)(2) and (8), and N.J.A.C. 11:17B-3.1(c); and

IT FURTHER APPEARING, that Respondents collected a service fee that exceeded the twenty dollar (\$20.00) maximum service fee chargeable in connection with the sale of a single homeowner's insurance policy in violation of N.J.S.A. 17:22A-40(a)(2) and (8), and N.J.A.C. 11:17B-3.2(a)(1); and

NOW, THEREFORE, IT IS on this 10<sup>th</sup> day of June, 2019

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

IT IS FURTHER ORDERED, that Respondents 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 Respondents to pay restitution of moneys owed to any person, pursuant to N.J.S.A. 17:22A-45(c); and

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IT IS FURTHER ORDERED, that Respondents appear and show cause why, in addition to any other penalty, they 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 PROVIDED, that Respondents have 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 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, 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 the Respondents 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