

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 revoke) CONSENT
the insurance license of Robert G. Merlo,) ORDER
Reference No. 8625941)

To: Robert G. Merlo
265 Grace Ave.
Secaucus, NJ 07094

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Robert G. Merlo (“Respondent”), currently 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, 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 (the “Producer Act”), 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-40a, the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer’s license, and may levy a civil penalty, for a violation of the Producer 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 or of another state’s insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(6), an insurance producer shall not be convicted of a felony or crime of the fourth degree or higher; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(18), an insurance producer shall not fail to notify the commissioner within 30 days of his conviction of any crime, indictment or the filing of any formal criminal charges, or the suspension or revocation of any insurance license or authority by a state, other than this State, or the initiation of formal disciplinary proceedings in a state, other than this State, affecting the producer's insurance license, or fail to supply any documentation that the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(19), a producer shall not fail to notify the Commissioner within 30 days of the final disposition of any formal disciplinary proceedings initiated against the insurance producer, or disciplinary action taken against the producer, by the Financial Industry Regulatory Authority ("FINRA"), any successor organization, or other similar non-governmental regulatory authority with statutory authority to create and enforce industry standards of conduct, or of any other administrative actions or criminal prosecutions, as required by sections 15 and 22 of the Producer Act (N.J.S.A. 17:22A-40a and 17:22A-47, respectively), or fail to supply any documentation the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(b), within 30 days of the initial pretrial hearing date, an insurance producer shall report to the Commissioner any criminal prosecution of the producer taken in any jurisdiction and the report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(c), an insurance producer shall report to the Commissioner any disciplinary action taken against the insurance producer, or any formal disciplinary proceedings initiated against the producer, by FINRA, any successor organization, or other similar non-governmental regulatory authority with statutory authority to create and enforce industry standards of conduct, within 30 days of the final disposition of the matter and the report shall include a copy of the order, consent order or other relevant legal documents; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.8, an insurance producer shall reply in writing, to any inquiry of the 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, on January 15, 2019, FINRA permanently barred the Respondent from associating with any FINRA member in any capacity; and

WHEREAS, on or about February 28, 2018, the Respondent was indicted in United States District Court, Southern District of New York, on charges of conspiracy to commit wire fraud, wire fraud and aggravated identity theft; and

WHEREAS, on or about March 4, 2019, the Respondent was convicted; and

WHEREAS, the Respondent failed to report to the Department the aforementioned indictment and conviction and the FINRA bar within 30 days, in violation of N.J.S.A. 17:22A-40a(2), (18) and (19) and N.J.S.A. 17:22A-47b and c; and

WHEREAS, Respondent's conviction of wire fraud, conspiracy to commit wire fraud and aggravated identity theft, is in violation of N.J.S.A. 17:22A-40a (6); and

WHEREAS, the Respondent failed to provide a requested written statement to the Department upon being contacted via e-mail correspondence on August 3, 2018 and August 15, 2018 addressing his failure to timely report his indictment, in violation of N.J.S.A. 17:22A-40a(2) and N.J.A.C. 11:17A-4.8; and

WHEREAS, the Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the investigation conducted by the Department; and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing;

NOW, THEREFORE, IT IS on this 7th day of June, 2019

ORDERED AND AGREED, that the Respondent consents to the revocation of his resident insurance producer license, Reference Number 8625941, pursuant to N.J.S.A. 17:22A-40a, and said license shall be immediately returned to the Department upon execution of this Consent Order by the Respondent, and sent to the attention of:

New Jersey Department of Banking and Insurance
Attention: Virgil Downtin - Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement
P. O. Box 329
Trenton, New Jersey 08625-0329

and

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.A.C. 11:17D-2.7, the Respondent is barred from reapplying for an insurance producer license for a period of five years from the date of the Commissioner's issuance of this Consent Order; 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.



Marlene Caride
Commissioner

Consented to as to Form,
Entry and Content

By:



Robert G. Merlo

5/13/19

Date