

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of)	ORDER
Banking and Insurance, State of New Jersey,)	TO SHOW CAUSE
to fine, suspend and/or revoke the public)	
adjuster licenses of Ruben Perez, III,)	
Reference No. 1263989, and R.P.)	
Adjustment Group, LLC, Reference No.)	
1299600.)	

TO: Ruben Perez, III
4045 Sheridan Avenue
Unit 405
Miami Beach, FL 33140-3665

R.P. Adjustment Group, LLC
c/o Ruben Perez, III
4045 Sheridan Avenue
Unit 405
Miami Beach, FL 33140-3665

This matter, having been opened by the Commissioner of Banking and Insurance, State of New Jersey (“Commissioner”), upon information that Ruben Perez, III (“Perez”) and R. P. Adjustment Group, LLC (collectively, “Respondents”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Perez was licensed as a resident public adjuster in the State of New Jersey pursuant to N.J.S.A. 17:22B-5, until his license expired on or about July 31, 2015; and

WHEREAS, R. P. Adjustment Group, LLC was a resident business entity licensed as a public adjuster in the State of New Jersey pursuant to N.J.S.A. 17:22B-5, until its license was cancelled on or about August 31, 2015; 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-3(a), no individual, firm, association or corporation shall act as an adjuster in this State unless authorized to do so by virtue of a license issued or renewed pursuant to this act; and

WHEREAS, pursuant to N.J.S.A. 17:22B-3(b), no adjuster shall act on behalf of an insured unless licensed as a public adjuster; and

WHEREAS, pursuant to N.J.S.A. 17:22B-13(c), no licensed public adjuster shall have any right to compensation from any insured for or on account of services rendered unless the right to compensation is based upon a written memorandum, signed by the party to be charged and by the adjuster, that specifies or clearly defines the services to be rendered and the amount or extent of the compensation in a form and with such language as the Commissioner may prescribe; and

WHEREAS, pursuant to N.J.S.A. 17:22B-13(f), 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-14(a)(1), a public adjuster shall not violate any provision of the insurance law, including any rules promulgated by the Commissioner, or violate any law in the course of his, or its, dealings as an adjuster; and

WHEREAS, pursuant to N.J.S.A. 17:22B-14(a)(3), a public adjuster shall not commit a fraudulent or dishonest act; and

WHEREAS, pursuant to N.J.S.A. 17:22B-14(a)(4), a public adjuster shall not demonstrate incompetency, lack of integrity, bad faith, dishonesty, financial irresponsibility or untrustworthiness to act as an adjuster; and

WHEREAS, pursuant to N.J.A.C 11:1-37.3(a), no person shall act as a public adjuster in this State on behalf of an insured unless licensed pursuant to N.J.A.C. 11:1-37.1 to -37.19; and

WHEREAS, pursuant to N.J.A.C 11:1-37.6(a) and (b), a licensed public adjuster which is a corporation, partnership, firm or association shall have at least one officer, director, partner, or member licensed as a public adjuster and only the officers or directors of a corporation or the members of a firm, association or partnership shall be sublicensees; and

WHEREAS, pursuant to N.J.A.C 11:1-37.13(a), no licensed public adjuster 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 contract or memorandum between the adjuster and the insured and specifying or clearly defining the services to be rendered and the amount or extent of the compensation; and

WHEREAS, pursuant to N.J.A.C 11:1-37.13(b)(3), the written memorandum or contract between a licensed public adjuster and an insured shall contain the following: (i) signatures of the insured and the public adjuster, (ii) a list of services to be rendered and the maximum fees to be

charged, which fees shall be reasonably related to services rendered, and (iii) the time and date of execution of the contract (day, month, year) by each party; and

WHEREAS, pursuant to N.J.A.C 11:1-37.13(b)(5), the written memorandum or contract between a licensed public adjuster and an insured shall prominently include a section which specifies the following: (i) the procedures to be followed by the insured if he or she seeks to cancel the contract, including any requirement for a written notice, (ii) the rights and obligations of the parties if the contract is cancelled at any time, and (iii) the costs to the insured or the formula for the calculation of costs to the insured for services rendered in whole or in part; and

WHEREAS, pursuant to N.J.A.C 11:1-37.14(a), a public adjuster shall not commit or omit to perform any act which demonstrates that the public adjuster is not competent or trustworthy to act as a public adjuster; and

WHEREAS, pursuant to N.J.A.C 11:1-37.14(a), a public adjuster shall not: (1) Violate any provision of this State's insurance laws, including any rules promulgated thereunder; (2) Violate any law in the course of acting as a public adjuster; (3) Commit a fraudulent or dishonest act; (4) Demonstrate the applicant's or licensee's lack of integrity, incompetency, bad faith, dishonesty, financial irresponsibility, or untrustworthiness to act as a public adjuster; (8) Collect from any client any fee other than that agreed to in the employment contract in a form required by N.J.A.C. 11:1-37.13; (9) Misappropriate, convert or illegally withhold, money which was received in the conduct of business that belonged to insurers, clients or others; (16) Engage in the business of a public adjuster in New Jersey with an invalid or expired license; or (17) Commit any other act or omission which the Commissioner determines to be inappropriate conduct by a licensee of this State; and

WHEREAS, pursuant to N.J.S.A. 17:22B-17 and N.J.A.C. 11:1-37.14, any person violating any provision of the Public Adjusters' Act or the regulations promulgated thereunder shall, in addition to any other sanctions provided by law, be liable to a civil penalty of up to \$2,500.00 for the first offense and up to \$5,000.00 for each subsequent offense. Each transaction or statutory violation shall constitute a separate offense; and

WHEREAS, pursuant to N.J.S.A. 17:22B-17, in any action brought pursuant to the Public Adjusters' Act, the Commissioner may order the payment of costs for the use of the State; and

COUNT ONE

IT APPEARING, that on or about July 8, 2015, Respondents were contracted by "J.P." and "E.P." (collectively, the "Insureds") to serve as public adjusters to negotiate and settle a damage claim filed by the Insureds with New Jersey Manufacturers Insurance Company ("NJM"), and notwithstanding that his license as a public adjuster had expired on July 31, 2015, Perez continued thereafter to act as a public adjuster on behalf of the Insureds without a license and without informing the Insured of the expiration of his license, in violation of N.J.S.A. 17:22B-3(a) and (b), N.J.S.A. 17:22B-14(a)(1), N.J.A.C 11:1-37.3(a) and N.J.A.C 11:1-37.14(a), (a)(2), (a)(3), (a)(4) and (a)(16); and

COUNT TWO

IT FURTHER APPEARING, that notwithstanding that its license as a public adjuster had expired on August 31, 2015, R. P. Adjustment, LLC continued thereafter to act as a business entity public adjuster on behalf of the Insureds without a license, without informing the Insureds of the expiration of its license, and without having at least one of its officers or members licensed as public adjuster, in violation N.J.S.A. 17:22B-3(a) and (b), N.J.S.A. 17:22B-14(a)(1), N.J.A.C

11:1-37.3(a), N.J.A.C 11:1-37.6(a) and (b); and N.J.A.C 11:1-37.14(a), (a)(2), (a)(3), (a)(4) and (a)(16); and

COUNT THREE

IT FURTHER APPEARING, that on or about December 10, 2015, Respondents received payment from NJM in settlement of the Insureds' damage claim by way of written check made jointly payable to R. P. Adjustment Group, LLC, Green Tree Servicing, LLC and the Insureds; and

IT FURTHER APPEARING, that on or about December 16, 2015, Respondents negotiated and deposited said settlement check into their bank account without first securing the signature endorsements of either Green Tree Servicing, LLC or the Insureds, and then disbursed the proceeds from said check without the acknowledgment, approval, authorization or consent of the Insureds, in violation of N.J.S.A. 17:22B-14(a)(1), (a)(3) and (a)(4), and N.J.A.C. 11:1-37.14(a), (a)(2) (a)(3), (a)(4), (a)(9), (a)(16) and (a)(17); and

COUNT FOUR

IT FURTHER APPEARING, that to facilitate the negotiation of said settlement check, Respondents falsified a document entitled "Limited Power of Attorney" which contained a fraudulent endorsement of "Power of Attorney for [Insureds]" and the forged signatures of the Insureds thereon, in violation of N.J.S.A. 17:22B-14(a)(1), (a)(3) and (a)(4), and N.J.A.C. 11:1-37.14(a), (a)(2) (a)(3), (a)(4), (a)(16) and (a)(17); and

COUNT FIVE

IT FURTHER APPEARING, that Respondents retained compensation from the Insureds' settlement check for performing services as public adjusters without having a written memorandum, in a form and with such language as the Commissioner may prescribe, that was

signed by the parties, along with the date and time of execution, and specifically and clearly stated the following: (i) the services to be rendered, (ii) the amount of compensation to be paid, (iii) the maximum fees to be charged, which fees shall be reasonably related to services rendered, and (iv) the terms, conditions and procedures to be followed by parties upon cancellation, including any written notice requirements, the right to cancel at any time and the costs to the insured for services rendered in whole or in part, in violation of N.J.S.A. 17:22B-13(c) and (f), N.J.S.A. 17:22B-14(a)(1), (a)(3) and (a)(4), N.J.A.C. 11:1-37.13(a), (b)(3) and (b)(5) and N.J.A.C. 11:1-37.14(a), (a)(2), (a)(3), (a)(4), (a)(9), (a)(16) and (a)(17); and

NOW, THEREFORE, IT IS on this 25th day of August, 2019

ORDERED, that Respondents appear and show cause why their New Jersey public adjuster licenses should not be suspended or revoked pursuant to N.J.S.A. 17:22B-14(a); and

IT IS FURTHER ORDERED, that Respondents appear and show cause why the Commissioner should not assess a civil penalty of up to \$2,500.00 for the first violation and up to \$5,000.00 for each subsequent violation of the Public Adjusters' Act and/or the regulations promulgated thereunder; pursuant to N.J.S.A. 17:22B-17 and N.J.A.C. 11:1-37.14(b); and

IT IS FURTHER ORDERED, that Respondents appear and show cause why, in addition to any other penalty, they should not be subject to additional penalties, including payment of costs and restitution as authorized pursuant to N.J.S.A. 17:22B-17; 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. Each 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 Respondents have 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.



Marlene Caride
Commissioner