

ORDER TO SHOW CAUSE NO. E14-66

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner)
of the New Jersey Department of)
Banking and Insurance, to fine,)
suspend, and/or revoke the)
insurance producer licenses of)
Susan Caines, Reference No.)
9951173; Vincent; Scaturro,)
Reference No. 0076095; and)
Luigi Sacco, Reference No.)
9610396)
_____)

ORDER TO SHOW CAUSE SEEKING
IMMEDIATE SUSPENSION OF SUSAN
CAINES' INSURANCE PRODUCER
LICENSE PENDING COMPLETION OF
ADMINISTRATIVE PROCEEDING,
PURSUANT TO N.J.S.A. 17:22A-
45d.

TO: Susan Caines
70 S. Burnett St., Apt 3D
East Orange, NJ 07018

THIS MATTER, having been opened by the Commissioner of the New Jersey Department of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Susan Caines ("Caines"), currently licensed as a resident individual insurance producer, pursuant to N.J.S.A. 17:22A-26 et seq., may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Caines is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq. ("Producer Act"); and

WHEREAS, pursuant to 18 U.S.C. §1033 and N.J.A.C. 11:17E, no person who has been convicted of a felony involving dishonesty or breach of trust shall engage in the business of insurance without the written consent of the Commissioner or his designee; and

WHEREAS, N.J.A.C. 11:17E-1.2 defines "felony" to mean any crime identified as an offense of the first, second, third or fourth degree pursuant to N.J.S.A. 2C:1-4 and 43-1; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(1), an insurance producer shall not provide incorrect, misleading, incomplete or materially untrue information on a license application; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not willfully violate any insurance laws or regulation, subpoena or order of the Commissioner; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(3), an insurance producer shall not obtain or attempt to obtain a license through misrepresentation or fraud; 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(15), an insurance producer shall not intentionally withhold material information

or make a material misstatement on an application for a license;
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 obtain the written consent pursuant to 18 U.S.C. 1033 and 18 U.S.C. 1034; or fail to supply any documentation that the Commissioner may request in connection therewith; and

IT APPEARING THAT, Caines pleaded guilty to Theft by Deception in the Third Degree, in violation of N.J.S.A. 2C:20-4, in connection with her activities as a licensed insurance producer on August 15, 2012 in Union County Superior Court, Criminal Division; and

IT FURTHER APPEARING THAT, Caines was convicted for this offense on October 17, 2012; and

IT FURTHER APPEARING THAT, Caines' conviction for Theft by Deception in the Third Degree is a felony conviction involving dishonesty and/or breach of trust while engaging in the business

of insurance, as defined by 18 U.S.C. 1033 and N.J.A.C. 11:17E-1.2; and

IT FURTHER APPEARING THAT, pursuant to 18 U.S.C. 1033 and N.J.A.C. 11:17E, Caines cannot engage in the business of insurance as a result of this conviction until such time as she obtains a written waiver from the Commissioner; and

IT FURTHER APPEARING THAT, the Commissioner has not issued a waiver to Caines, and as a result, Caines cannot legally engage in the business of insurance in this State; and

IT FURTHER APPEARING THAT, on May 21, 2014, a separate Order to Show Cause seeking revocation, monetary penalties and costs was issued against Caines and two other Respondents not named herein; and

COUNT 1

IT APPEARING THAT, Caines completed a renewal application for her New Jersey insurance producer's license on or about March 1, 2014; and

IT FURTHER APPEARING THAT, when completing her March 1, 2014 renewal application, Caines answered "No" to the question of whether she had ever been convicted of a crime, even though she knew this to be untrue, in violation of N.J.S.A. 17:22A-40a(1), (2), (3), and (15); and

COUNT 2

IT APPEARING THAT, Caines has continued to work as a licensed producer even after her conviction for Insurance Fraud in the Third Degree, without having first obtained the written consent required by 18 U.S.C. 1033 and N.J.A.C. 11:17E, in violation of 18 U.S.C. 1033, N.J.A.C. 11:17E, and N.J.A.C. 17:22A-40a(18); and

NOW, THEREFORE, IT IS on this 2nd day of June, 2014

ORDERED that Caines appear and show cause why her license should not be temporarily suspended pursuant to the provisions of N.J.S.A. 17:22A-45d; and

IT IS FURTHER ORDERED that Caines shall file and serve answering certifications, briefs and any other evidence on which she intends to rely not more than seven (7) days from the date of service of this Order to Show Cause. Caines' answering papers shall be filed with Virgil Downtin, Chief of Investigations, New Jersey Department of Banking and Insurance, P.O. Box 329, Trenton, N.J. 08625, with a copy to be sent to Petitioner's counsel, Deputy Attorney General Jason N. Silberberg, 25 Market Street, P.O. Box 117, Trenton, New Jersey 08625; and

IT IS FURTHER ORDERED that the Petitioner, the Commissioner of the New Jersey Department of Banking and Insurance, may serve

replies thereto not more than seven (7) days after filing of Caines' opposition; and

IT IS FURTHER ORDERED that if Caines fails to respond to this Order to Show Cause Seeking Immediate License Suspension, then the proposed Order for Immediate License Suspension shall be entered forthwith.



Peter Hartt
Acting Director of Insurance