

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 fine,
suspend, and/or revoke the insurance producer
license of Ramon Herrera, Reference No.
370540.

ORDER TO SHOW CAUSE

TO: Ramon Herrera
404 Bergenline Avenue
Apt. 2
Union City, New Jersey 07087

THIS MATTER, having been opened to the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Ramon Herrera (“Respondent”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was previously licensed as a resident insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-32, from March 30, 2012, until his license expired on September 30, 2019; 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 Producer Licensing regulations, N.J.A.C. 11:17-1.1 to – 2.17, the regulations governing Insurance

Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8, and the Persons Employed in the Business of Insurance regulations, N.J.A.C. 11:17E-1.1 to -1.7; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(d), the Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Producer Act and Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes against any person who is under investigation for or charged with a violation of the Producer Act or Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(2), an insurance producer shall not violate any insurance laws, or violate any 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)(8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of the insurance business in this State or elsewhere; 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. 17:22A-40(a)(19), an insurance producer shall not fail to notify the commissioner within thirty (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; and

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING THAT Respondent was a broker registered with the Financial Industry Regulatory Authority (FINRA); and

IT FURTHER APPEARING THAT between April 10, 2012, and January 2, 2018, Respondent was employed by Wells Fargo Clearing Services, LLC ("Wells Fargo") as a financial advisor/broker and worked primarily out of bank branch offices in the Hudson County, New Jersey area;

IT FURTHER APPEARING THAT Respondent was terminated from Wells Fargo in or around January 2, 2018; and

IT FURTHER APPEARING THAT, between May 2015, and January 2018, while employed by Wells Fargo, Respondent engaged in a scheme to defraud customers for whom he provided financial advice and brokerage services by withdrawing money from their accounts under false pretenses and using the diverted funds for his own personal use without the customer's knowledge or authorization; and

COUNT ONE

IT FURTHER APPEARING THAT on February 14, 2018, and March 1, 2018, the Financial Industry Regulatory Authority ("FINRA") sent to Respondent requests for documentation and information related to the conduct described above; and

IT FURTHER APPEARING THAT Respondent failed to respond to FINRA's requests; and

IT FURTHER APPEARING THAT on April 11, 2018, FINRA sent to Respondent a Notice of Suspension for failing to provide the documentation and information requested by FINRA; and

IT FURTHER APPEARING THAT on May 7, 2018, FINRA sent to Respondent a Notice of Suspension, suspending Respondent from associating with any FINRA member in any capacity; and

IT FURTHER APPEARING THAT on July 16, 2018, Respondent was barred from associating with any FINRA member in any capacity pursuant to FINRA Rule 9552; and

IT FURTHER APPEARING THAT Respondent failed to notify the Commissioner within thirty (30) days of the disciplinary action taken against him by FINRA, in violation of N.J.S.A. 17:22A-40(a)(2), (8) and (19); and

COUNT TWO

IT FURTHER APPEARING THAT on October 24, 2019, the United States Attorney for the District of New Jersey ("DOJ") filed a Criminal Information against Respondent (USA v. Herrera, U.S. District Court, District of New Jersey (Newark), #2:19-cr-00779-KSH-1), charging him with wire fraud under 18 U.S.C. 1343 for the aforementioned scheme; and

IT FURTHER APPEARING THAT Respondent entered into a Plea Agreement with the DOJ on September 20, 2019; and

IT FURTHER APPEARING THAT on October 29, 2019, Respondent pleaded guilty wire fraud under 18 U.S.C. 1343 for the aforementioned scheme; and

IT FURTHER APPEARING THAT Respondent was convicted and sentenced on May 21, 2021, to a term of twenty-seven (27) months in prison and ordered to make restitution in the amount of \$452,822.89; and

IT FURTHER APPEARING THAT by engaging in and admitting to the aforementioned scheme Respondent violated N.J.S.A. 17:22A-40(a)(2), (8), and (16); and

NOW, THEREFORE, IT IS on this 31st day of July, 2024,

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 not exceeding \$5,000.00 for the first violation, and not exceeding \$10,000.00 for each subsequent violation of the Producer Act, and order Respondent to pay restitution of moneys owned to any person, pursuant to the provisions of N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why they should not be required to reimburse the Department for the cost of the investigation and prosecution, as authorized pursuant to N.J.S.A. 17:22-45(c); and

IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at his own 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 hearing shall also be sent to Deputy Attorney General Chandra M. Arkema at: Division of Law, P.O. Box 117, Trenton, New Jersey 08625, fax (609) 777-3503. The request shall contain the following:

- (a) Respondent's full name, current 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; and
- (c) A statement requesting the hearing.



Justin Zimmerman
Acting Commissioner