

NEW JERSEY REAL ESTATE COMMISSION

NEW JERSEY REAL ESTATE COMMISSION	)	DOCKET NUMBER MID-19-009
	)	(REC Ref. No. 10007073)
Complainant,	)	
	)	ORDER TO SHOW CAUSE
v.	)	
	)	
MARCUS JONES, licensed New Jersey real estate	)	
salesperson (Ref. No. 1538586)	)	
	)	
Respondent.	)	

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THIS MATTER being commenced by the New Jersey Real Estate Commission (the "Commission") in the Department of Banking and Insurance, State of New Jersey, on its own motion, pursuant to the provisions of N.J.S.A. 45:15-17, 45:15-18 and N.J.A.C. 11:5-1.1 et seq., and it appearing that:

1. Respondent Marcus Jones ("Jones") is a licensed New Jersey real estate salesperson, who was first licensed on May 13, 2015, and was last licensed through J J Elek Realty, Inc., licensed New Jersey real estate broker, whose office is located at 117 Main Street, Woodbridge, New Jersey 07095. Jones' license has been in "Inactive" status since January 8, 2019; and

2. Prior to becoming licensed as a real estate salesperson, Jones was licensed by the New Jersey Division of Insurance as an insurance producer from October 26, 2012 until November 30, 2014, at which time his license expired due to non-renewal; and

**COUNT 1**

3. On or about July 16, 2015, Jones entered into a Consent Order with the New Jersey Commissioner of Banking and Insurance (Order No. E15-74), wherein Jones admitted to violating numerous provisions of the New Jersey Insurance Producer Licensing Act of 2001 and agreed to the revocation of his insurance producer's license. The conduct underlying Order No. E15-74 concerned Jones underwriting insurance policies containing falsified or invalid garaging addresses, resulting in substantial losses to the insurance company through which he was licensed. Jones admitted to violating N.J.S.A.

17:22A-40a (2), (5), (7), (8) and (16), and it was ordered and agreed that Jones' resident insurance producer license was to be immediately returned to the New Jersey Department of Banking and Insurance and that he be barred from re-applying for such license for a period of five years. A copy of Order No. E15-74 is attached hereto as **Exhibit A**; and

4. The conduct underlying Order No. E15-74 and the revocation of his insurance producer license constitutes intentional misrepresentation and fraudulent activity (see **Exhibit A**); and

5. Jones did not disclose the ongoing investigation and/or enforcement action by the New Jersey Division of Insurance concerning his insurance producer's license during the process of applying for licensure as a real estate salesperson; and

6. On or about April 3, 2017, Jones completed the qualifying questionnaire required for the renewal of his real estate license for the 2017-2019 licensing term. Jones answered "NO" in response to question #3, which asks:

since your last New Jersey real estate license was issued or renewed, have you had a real estate, or other professional license, certification or similar right to engage in real estate brokerage or any other business or profession, revoked, denied, suspended or restrained by any government authority, surrendered in lieu of formal prosecution, in this state, any other state, or by the federal government?; and

7. On or about January 17, 2019, the Commission received an application for transfer of licensure on behalf of Jones. As part of the application, Jones completed a questionnaire and answered "NO" in response to question #3, which asks: "Have you ever had a real estate or other professional license, certification or similar credential revoked, suspended, surrendered in lieu of formal prosecution, or denied in New Jersey or any other state?"; and

8. On or about January 22, 2019, Jones submitted a second application for transfer of licensure, wherein he again answered "NO" in response to question #3 of the questionnaire; and

9. Simultaneously hereto, Jones' application for transfer of licensure is being denied by Commission staff. On April 16, 2019, Commission staff issued a letter denying Jones' application for

transfer of licensure as a result of his failure to disclose the revocation of his insurance producer's license, as described above, and staff's conclusion that he lacks the honesty, trustworthiness, character and integrity required for licensure; and

## COUNT II

10. On or about March 6, 2016, Jones and William Manley, an unlicensed individual, formed a limited liability partnership, known as Certified Home Investors, LLP ("the Company"). Upon information and belief, William Manley was designated as the managing partner and Jones was designated as a partner of the Company; and

11. On or about December 31, 2016, Jones tendered his resignation as a partner from the Company; and

12. On or about May 5, 2017, the Company entered into a contract to purchase the property located at 966 Bergen Avenue, North Brunswick, New Jersey 08902 (the "Property"). Upon information and belief, closing of title was preliminarily scheduled to take place on June 4, 2017; and

13. At the time the above contract was entered into, consumer Miguel Sanchez and his family (the "Tenants") were residing at the Property as renters; and

14. At the time the above contract was entered into, eviction proceedings against the Tenants were scheduled to take place on July 5, 2017; and

15. On or about May 2, 2017, prior to the full execution of the above contract of sale, the Tenants entered into a lease agreement to rent the Property from the Company. Jones held himself out as the owner of the Property to the Tenants and executed the lease agreement on behalf of the Company, who was designated as landlord by the terms of the agreement. Pursuant to the terms of the lease agreement, the tenants agreed to monthly rent payments in the amount of \$2,000 to the Company in exchange for their occupation of the Property. The lease agreement stated that the landlord does not have an agent or manager and that all contact in regard to any repair, maintenance or complaint must go through the landlord directly. The lease agreement listed Jones' email address as the landlord's; and

16. On or about July 5, 2017, Jones appeared at the Middlesex County Sheriff's Office, represented that he was the new owner of the Property and requested that the eviction scheduled to take place on that day against the Tenants be cancelled, which request was granted; and

17. During the months of May through July of 2017, the Tenants paid a total of \$6,000, directly to Jones, to reside at the subject property as renters, pursuant to the terms of the lease agreement described above; and

18. On or about August 21, 2017, Miguel Sanchez appeared at the Middlesex County Sheriff's Office and expressed concern that the Tenants had been served with another eviction notice, despite having paid \$6,000 in rent to Jones, who had represented himself to be the new owner of the Property; and

19. Closing of title never took place and the subject transaction was never completed; and

20. On or about September 1, 2017, Jones was arrested and charged with one count of Theft by Deception, in violation of N.J.S.A. 2C:20-4C, for collecting rent from the Tenants without being an owner of the Property; and

21. Jones failed to notify the Commission of the filing of the above criminal charges against him within 30 days; and

22. On or about March 29, 2018, Jones was accepted into the Pre-Trial Intervention Program (PTI) for a period of 24 months. Pursuant to the terms of Jones' PTI, all proceedings in furtherance of the prosecution of the above criminal charges against Jones are postponed for a period of 24 months; and

#### VIOLATIONS

23. Respondent Marcus Jones' conduct is in violation of N.J.S.A. 45:15-17(s), in that Jones failed to notify the Commission that he was charged with Theft by Deception within 30 days; and

24. Respondent Marcus Jones' conduct is in violation of N.J.S.A. 45:15-17(n), in that Jones procured a real estate salesperson's license by fraud, misrepresentation or deceit by falsely representing that he never had a professional license that was revoked in the 2017 license renewal application questionnaire; and

25. Respondent Marcus Jones' conduct is in violation of N.J.S.A. 45:15-17(a), (three counts), in that:

a. Jones made a substantial misrepresentation by falsely representing that he had not had a professional license revoked since the issuance of his license, in the 2017 license renewal application questionnaire; and

b. Jones made a substantial misrepresentation by falsely representing that he had never had a professional license revoked in the license transfer application questionnaires described above; and

c. Jones made a substantial misrepresentation to the Tenants of the Property by falsely representing to them that he was the owner of the Property, authorized to enter into a lease agreement and to collect rent from the Tenants; and

26. Respondent Marcus Jones' conduct is in violation of N.J.S.A. 45:15-17(c) in that Jones pursued a flagrant and continued course of misrepresentation by falsely holding himself out as the owner of a property and collecting rent from tenants over a period of 3 months; and

27. Respondent Marcus Jones' conduct is in violation of N.J.S.A. 45:15-17(l), in that the conduct underlying the criminal charges filed against Jones as well as the conduct underlying the revocation of Jones' insurance producer's license as set forth in Order No. E15-74 (see Exhibit A), constitutes fraud and dishonest dealing; and

28. Respondent Marcus Jones' conduct is in violation of N.J.S.A. 45:15-17(e), in that the conduct underlying the criminal charges filed against Jones constitutes conduct which demonstrates bad faith, dishonesty and unworthiness for licensure; and

29. The conduct underlying Respondent Marcus Jones' insurance producer license revocation and the conduct underlying the charge of Theft by Deception filed against him demonstrate that Respondent Jones does not possess the requisite good moral character, honesty, integrity and trustworthiness that all licensees must possess pursuant to N.J.S.A. 45:15-9.

And for good cause shown,

IT IS on this 16<sup>th</sup> day of April, 2019

ORDERED that Respondent Marcus Jones shall show cause why his real estate license should not be suspended or revoked and/or why fines or other sanctions should not be imposed pursuant to N.J.S.A. 45:15-17 and N.J.A.C. 11:5-1.1. Respondent shall file a written Answer to the charges in this Order to Show Cause as required by N.J.A.C. 11:5-11.2 within twenty (20) days of the service of this Order. As required by N.J.A.C. 11:5-11.2, Respondent's written Answer must include specific admissions or denials of all allegations in this Order to Show Cause, state the factual basis of each and every factual allegation denied, and assert any defenses that Respondent intends to present in the event that this matter is deemed a contested case and a plenary hearing is held; and

IT IS FURTHER ORDERED that failure to comply with all of the requirements of N.J.A.C. 11:5-11.2 may result in a determination that there are no material facts or issues of law in dispute and any presentation made to the Commission will be limited to the issue of the severity of any sanction or penalty to be imposed; and

IT IS FURTHER ORDERED that the Commission will review this Order to Show Cause and Answer(s) filed, if any, at a meeting scheduled on or after the 14<sup>th</sup> day of May, 2019 at 9:30 a.m. to determine whether there is a material fact or issue of law contested. No appearance is required at that time; and

IT IS FURTHER ORDERED that if the Commission determines that there is a material fact or issue of law contested, a hearing will be scheduled for a future date; and

IT IS FURTHER ORDERED that if the Commission determines that there is no material fact or issue of law contested, a hearing shall be scheduled at which the Respondent will be limited to presenting witnesses and documentary evidence regarding the issue of the severity of any sanction or penalty to be imposed; and

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IT IS FURTHER ORDERED** that a copy of this Order be served upon the Respondent as provided in N.J.S.A. 45:15-18, which service may be accomplished by serving a copy of this Order on the Respondent personally, or by delivering a copy thereof to the Respondent's last known business address via certified mail.



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**Richard Mumford**  
**Acting Director of Banking**  
**New Jersey Department of Banking and Insurance**  
**New Jersey Real Estate Commission**

# **Exhibit A**



IN THE MATTER OF:

Proceedings by the Commissioner of Banking	)	
and Insurance, State of New Jersey, to revoke	)	CONSENT
the insurance license of Marcus Jones,	)	ORDER
Reference No. 1483402.	)	

To: Marcus Jones  
771 May Ave.  
Perth Amboy, NJ 08861

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Marcus Jones ("Respondent"), previously 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 New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (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-40a (5), an insurance producer shall not intentionally misrepresent the terms of an actual or proposed insurance contract, policy, or application for insurance; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (7), an insurance producer shall not commit or been found to have committed any insurance unfair trade practice or fraud; and

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

WHEREAS, Farmers Insurance Company ("Farmers") conducted a review of the Respondent's written new automobile policies for the period starting on or around June 2013 through August 2013 whereby it was determined that the Respondent had underwritten approximately 42 new auto policies in which he used an invalid garaging address on 32 of the new policies, which resulted in a lower premium for the insured and an estimated annual premium loss for the insurer of \$2,686.53 per policy for a total annual premium loss of \$85,969.00; and

WHEREAS, Farmers discovered an additional 59 automobile policies that were issued through the Respondent during the aforementioned time period which revealed discrepancies between the garaging and mailing addresses which would result in a potential loss to the carrier of approximately \$120,894.00, all in violation of N.J.S.A. 17:22A-40a (2), (5), (7), (8) and (16); and

WHEREAS, Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance; and

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

NOW, THEREFORE, IT IS on this 16<sup>th</sup> day of JULY, 2015

ORDERED AND AGREED, that pursuant to N.J.S.A. 17:22A-40a, Respondent consents to the revocation of his resident insurance producer license, Reference Number 1483402, which expired on November 30, 2014, and said license shall be immediately returned to the Department upon execution of this Consent Order, 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

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.A.C. 11:17D-2.7, Respondent is barred from applying 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.

  
Peter L. Hart  
Director of Insurance

Consented to as to Form, Entry and Content

By:   
Marcus Jones

Date: 7/2/15