

IN RE:	:	VIOLATIONS:
	:	
ISRAEL M. BRUCH	:	Sections 611-A(20) and 641.1-A(a)
2209 Allen Street	:	of Act 147 of 2002 (40 P.S.
Allentown, PA 18104	:	§§ 310.11 and 310.41)
	:	
	:	
Respondent.	:	Docket No. CO07-05-037

CONSENT ORDER

AND NOW, this *10<sup>th</sup>* day of *July*, 2007, this Order is hereby issued by the Insurance Department of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that he has received proper notice of his rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. § 101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order

duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

### FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following

Findings of Fact:

- (a) Respondent is Israel M. Bruch, and maintains his address at 2209 Allen Street, Allentown, Pennsylvania 18104.
- (b) At all times herein, Respondent has held a resident producer license number 366524 that expires on September 10, 2008.
- (c) Between January, 2006 and March, 2007, on 51 occasions, Respondent employed three individuals: Stanley Clark, Louis H. Aarons, and Gary H. Untracht, whose licenses were previously revoked or suspended.
- (d) The three traded as The Wyndham Group, an unlicensed insurance agency owned by Louis Aarons, at 5050 Tilghman Street, Suite 115, Allentown, Pennsylvania, and they contacted potential insurance clients via the telephone.

- (e) The three unlicensed individuals discussed insurance products and annuities and made appointments for personal visits at insureds' residences.
- (f) Respondent has admitted to compensating them through commission from the generation of insurance sales of between \$100 and \$200 per sale.
- (g) On three occasions, Respondent was not present during the sale and/or illustration presentation, or during the application process.
- (h) Respondent signed the above-referenced 51 applications as the agent-of-record for the EquiTrust Life Insurance Company's Market Power Bonus annuity.
- (i) All the applications were submitted to EquiTrust, and the contracts are currently under review by the carrier.
- (j) On one occasion, Stanley Clark returned to a clients' home after their contract had been cancelled, and requested a personal loan of \$5,000.00, which was denied.
- (k) Respondent has admitted that on at least two occasions, he was not present at the time of sale.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) Section 611-A(20) of Act 147 of 2002 prohibits a licensee from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the department that the licensee is worthy of licensure (40 P.S. § 310.11).
- (c) Respondent's activities described above in paragraphs 3(c) through 3(k) violates Section 611-A(20) of Act 147 of 2002.
- (d) Respondent's violations of Section 611-A(20) of Act 147 of 2002 are punishable by the following, under Section 691-A of Act 147 of 2002 (40 P.S. § 310.91):
  - (i) suspension, revocation or refusal to issue the certificate of qualification or license;
  - (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for each violation of the Act;

- (iii) an order to cease and desist; and
  - (iv) any other conditions as the Commissioner deems appropriate.
- (e) Section 641.1-A(a) of Act 147 of 2002 prohibits any insurance entity or licensee from accepting applications or securing any business from any person acting without an insurance license, and shall be subject to a civil penalty of no more than \$5,000 per violation.
- (f) Respondent's activities described above in paragraphs 3(c) through 3(k) violates Section 641.1-A(a) of Act 147 of 2002.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) Respondent shall surrender all licenses/certificates to conduct the business of insurance in the Commonwealth of Pennsylvania for a period of five (5) years from the date of this Order.

- (c) If Respondent should ever become licensed in the future, his certificates and licenses may be immediately suspended by the Department following its investigation and determination that (i) any terms of this Order have not been complied with, or (ii) any complaint against Respondent is accurate and a statute or regulation has been violated. The Department's right to act under (ii) above is limited to a period of five (5) years from the date of issuance of such certificates and licenses.
- (d) Respondent specifically waives his right to prior notice of said suspension, but will be entitled to a hearing upon written request received by the Department no later than thirty (30) days after the date the Department mailed to Respondent by certified mail, return receipt requested, notification of said suspension, which hearing shall be scheduled for a date within sixty (60) days of the Department's receipt of Respondent's written request.
- (e) At the hearing referred to in paragraph 5(d) of this Order, Respondent shall have the burden of demonstrating that he is worthy of an insurance certificate and license.
- (f) In the event Respondent's certificates and licenses are suspended pursuant to paragraph 5(c) above, and Respondent either fails to request a hearing within

certificate and license, Respondent's suspended certificates and licenses shall be revoked.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law; or, if applicable, the Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, the Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

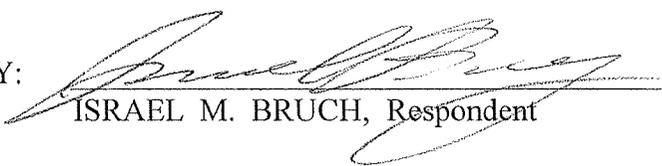
8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

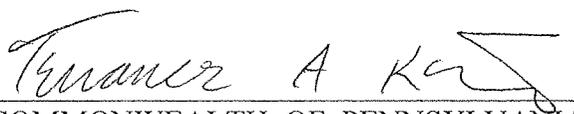
9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or a duly authorized delegee.

BY:

  
ISRAEL M. BRUCH, Respondent

  
COMMONWEALTH OF PENNSYLVANIA

By: Terrance A. Keating  
Deputy Chief Counsel