

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

INSURANCE DEPARTMENT
2012 JAN -4 AM 11:12
ADMIN HEARINGS OFFICE

IN RE: : VIOLATIONS:
: :
LUIGI LEPARULO : 40 P.S. §§ 310.11 (1), (2), (3), (7), (13)
P.O. Box 671 : and (20)
Kimberton, PA 19442 : :
Respondent. : Docket No. CO11-12-004

CONSENT ORDER

AND NOW, this *4th* day of *January*, *2012*, 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 Luigi Leparulo and maintains his address at Chester Avenue & Route 113, P.O. Box 671, Kimberton, PA 19442.
- (b) Respondent is, and during all times relevant herein was a licensed insurance producer with a resident producer individual license No. 312924, which expires on February 29, 2012.
- (c) Respondent is the Designated Licensee of Financial Charting, Inc., effective March 2, 1995.
- (d) Financial Charting, Inc. held a valid resident producer agency license No. 59478, which expired on April 14, 2011.
- (e) On June 26, 2009 the Pennsylvania Department of Revenue (hereinafter Revenue) filed a lien against Respondent under Docket No. 09-07309, for his failure to pay Pennsylvania Corporation Taxes for years 1997 through 2007.

- (f) On August 31, 2009 Revenue filed a lien against Respondent under Docket No. 09-09776, for his failure to pay Pennsylvania Corporation Taxes for years 1984 through 1996.
- (g) Respondent, on his license renewal application, dated December 2, 2009 answered “NO” (untruthfully) to the question asking, “Since the last renewal or initial application in this state, have you failed to pay state income tax or comply with any administrative or court order directing the payment of state income tax?”
- (h) Respondent, on October 28, 2011 entered into a Deferred Payment Plan Agreement with Revenue to pay his Pennsylvania Corporation Taxes.

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) 40 P.S. § 310.11(1) prohibits a licensee or an applicant for a license from providing incorrect, misleading, incomplete or false information to the Department in a license application.
- (c) Respondent's activities described above in paragraphs 3(e) through 3(g) violate 40 P.S. § 310.11(1).
- (d) 40 P.S. § 310.11(2) prohibits a licensee or an applicant from violating the insurance laws or regulations of this Commonwealth or a subpoena or order of the Commissioner or of another state's insurance commissioner.
- (e) Respondent's activities described above in paragraphs 3(e) through 3(g) violate 40 P.S. § 310.11(2).
- (f) 40 P.S. § 310.11(3) prohibits a licensee or an applicant from obtaining or attempting to obtain a license through misrepresentation or fraud.
- (g) Respondent's activities described above in paragraphs 3(e) through 3(g) violate 40 P.S. § 310.11(3).
- (h) 40 P.S. § 310.11(7) prohibits a licensee or an applicant from using fraudulent, coercive or dishonest practices or demonstrating incompetence,

untrustworthiness or financial irresponsibility in the conduct of doing business.

- (i) Respondent's activities described above in paragraphs 3(e) through 3(g) violate 40 P.S. § 310.11(7).

- (j) 40 P.S. § 310.11(13) prohibits a licensee or an applicant from failing to pay state income tax or comply with any administrative or court order directing the payment of state income tax.

- (k) Respondent's activities described above in paragraphs 3(e) and 3(f) violate 40 P.S. § 310.11(13).

- (l) 40 P.S. § 310.11(20) 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.

- (m) Respondent's activities described above in paragraphs 3(e) and 3(g) violate 40 P.S. § 310.11(20).

- (n) Respondent's violations of Sections 310.11(1), (2), (3), (7), (13) and (20) are punishable by the following, under 40 P.S. § 310.91:
- (i) suspension, revocation or refusal to issue the license;
 - (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for every violation of the Act;
 - (iii) an order to cease and desist; and
 - (iv) any other conditions as the Commissioner deems appropriate.

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 must fully and timely comply with all aspects and terms of the Deferred Payment Plan (DPP) agreement entered into with the Pennsylvania Department of Revenue.
- (c) Respondent's 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 this section is limited to a period of five (5) years from the date of this Order.

(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 a license.

(f) In the event Respondent's licenses are suspended pursuant to paragraph 5(c) above, and Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that he is worthy of a license, Respondent's suspended 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.