

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

RECEIVED
INSURANCE DEPARTMENT
2009 AUG 13 AM 11:51
ADMINISTRATIVE OFFICE

IN RE: : VIOLATIONS:
: :
FREDERICK I. MILBERT : 40 Purdons Statutes, Sections
1100 Prospect Avenue : 310.11 and 310.41.a
Elkins Park, PA 19027 :
: :
Respondent : Docket No. CO09-06-014

CONSENT ORDER

AND NOW, this *13th* day of *August*, 2009, 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.

3. Without admitting the allegations of fact and conclusions of law contained herein, Respondent specifically denies that he violated any law or regulation of the Commonwealth.

FINDINGS OF FACT

4. The Insurance Department finds true and correct each of the following Findings of Fact:

- (a) Respondent is Frederick I. Milbert, who maintains his address at 1100 Prospect Avenue, Elkins Park, Pennsylvania 19027.
- (b) Respondent Milbert has an active resident producer individual license #348099 that expires on April 23, 2011.
- (c) Respondent Milbert, during all relevant times was the Designated Licensee of Union One Insurance Group, L.L.C., 220 West Germantown Pike, Suite 270, Plymouth Meeting, PA 19462 (hereinafter, Union One), and was responsible for compliance of Union One with all Pennsylvania insurance laws.
- (d) Respondent was previously employed at Union One, where he managed at times the daily operation of the business, and where his employment ceased effective January 7, 2008, although Respondent presently has a 14.75% ownership interest.

- (e) At times on or before October 25, 2007, Union One paid monies to Charles R. Eckardt, whose insurance producer license #348162 was revoked by a Consent Order, Docket No. CO05-01-032, on March 14, 2005.

- (f) At times on or before October 25, 2007, Respondent was one of two signatories on checks from Union One, by which referral fees were paid to Charles R. Eckardt, although Eckhardt was not licensed. Respondent knew at the time of such payments that Eckhardt was not licensed.

CONCLUSIONS OF LAW

5. 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 Purdons Statutes, Section 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.

- (c) Respondent's activities described above in paragraphs 4(e) and 4(f) violates 40 Purdons Statutes, Section 310.11(20).
- (d) 40 Purdons Statutes, Section 310.41.a prohibits any insurance entity or licensee accepting applications or orders for insurance, from any person or securing any insurance business that was sold, solicited or negotiated by any person acting without an insurance producer license, and shall be subject to civil penalty of no more than \$5,000 per violation in accordance with this act.
- (e) Respondent's activities described above in paragraphs 4(e) and 4(f) constitute doing business with unlicensed people, in violation of 40 Purdons Statutes, Section 310.41.a.
- (f) Respondent's violations of 40 Purdons Statutes, Sections 310.11(20) and 310.41.a are punishable by the following, under Section 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.

ORDER

6. 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 will assist to the best of his ability the Pennsylvania Insurance Department in conducting investigations and prosecution of any licensed or unlicensed entity performing the business of insurance including, but not limited to, any public adjuster, insurance producer, company, etc., his employees and officers, including but not limited to testifying as a witness relative to any of the aforesaid entities, his employees and officers in any civil or administrative action involving same.

- (c) Respondent's 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 other complaint against Respondent involving matters not the subject of this Consent Order 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 three (3) years from the date of this Order.

- (d) Respondent specifically waives the 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 6(d) of this Order, Respondent shall have the burden of demonstrating that he is worthy of licensure.
- (f) In the event Respondent's certificates and licenses are suspended pursuant to paragraph 6(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 certificates and licenses shall be revoked.

7. 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.

8. 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.

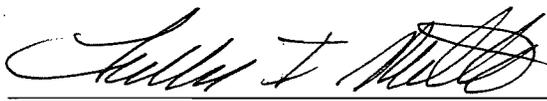
9. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

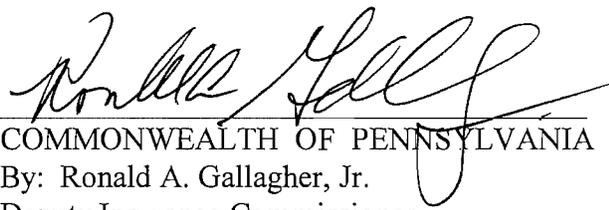
10. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

11. 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.

12. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegate 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: 
FREDERICK I. MILBERT, Respondent


COMMONWEALTH OF PENNSYLVANIA
By: Ronald A. Gallagher, Jr.
Deputy Insurance Commissioner