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INSURANCE DEPARTMENT

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BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA  
ADMIN HEARINGS OFFICE

INRE:

VIOLATIONS:

JEROME JOSEPH SACCO, SR. and  
CITIZENS PUBLIC ADJUSTERS, INC.  
117 Tatham Road  
Bensalem, PA 19020

63 P.S. §1606(a)(5) and (13)

Respondents.

Docket No. CO14-11-012

CONSENT ORDER

AND NOW, this 5 day of December 2014, 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. Respondents hereby admit and acknowledge that they have received proper notice of their rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa. C.S.A. §1 01, et seq., or other applicable law.

2. Respondents hereby waive all rights to a formal administrative hearing in this matter, and agree 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 Jerome Joseph Sacco, Sr. and maintains his address at 117 Tatham Road, Bensalem, PA 19020.
- (b) Co-Respondent is Citizens Public Adjusters, Inc., and maintains its address at 3237 Bristol Road, Suite 204, Bensalem, PA 19020.
- (c) Respondents are, and at all times relevant hereto have been, licensed resident public adjusters.
- (d) Respondents' manager on October 31, 2014, issued notices to clients informing them the firm was experiencing cash flow problems which currently rendered it impossible to make immediate payments on some approved claims.
- (e) Respondent Sacco failed to verify claim payments were made in a timely manner to at least sixty-eight (68) Pennsylvania citizens, totaling in excess of \$450,000 from 2013 to 2014, while acting as the owner of Citizens Public Adjusters, Inc. and a designated licensee responsible for its compliance with insurance laws.

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) Respondents are subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 63 P.S. §1606(a)(5) states that a public adjuster who misappropriates or converts to his own use or improperly withholds moneys held on behalf of another party to the public adjuster contract may be fined or face suspension or revocation of their public adjuster license.
- (c) Respondent Sacco's activities in paragraph 3(d) violate 63 P.S. §1606(a)(5).
- (d) 63 P.S. §1606(a)(13) prohibits a public adjuster from demonstrating incompetence or untrustworthiness to transact the business of a public adjuster.
- (e) Respondent Sacco's activities described above in paragraphs 3(d) and 3(e) violate 63 P.S. §1606(a)(13).

- (f) Respondent Sacco's violations of Sections 1606(a)(5) and (13) are punishable by suspension or revocation of the public adjuster's license and a civil penalty of up to \$5,000 for each violation under 63 P.S. §1606(a) and (b).

ORDER

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

- (a) Respondents shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) Respondent Sacco shall immediately surrender all licenses to act as a public adjuster or to otherwise conduct the business of insurance within the Commonwealth of Pennsylvania as of the date of this Consent Order.
- (c) All insurance licenses of Co-Respondent Citizens Public Adjusters, Inc. and, in the event Respondent Sacco would ever become re-licensed in the future, all insurance licenses of Respondent Sacco, 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 or Co-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 or, in the case of Respondent Sacco, from the date that he would ever become re-licensed.

- (d) Respondents specifically waive their 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 or Co-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 or Co-Respondent's written request.
- (c) At the hearing referred to in paragraph 5(d) of this Order, Respondents shall have the burden of demonstrating that they are worthy of an insurance license.
- (f) In the event either Respondent's licenses are suspended pursuant to paragraph 5(c) above, and that Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that he or it is worthy of a license, that Respondent's suspended licenses shall be revoked.
- (g) Respondents shall fully and timely comply with all of the following conditions:
- (i) Respondent Sacco agrees to surrender his individual license upon execution of this order and the substitution of a designated licensee responsible for Co-Respondent's compliance with the insurance laws;

- (ii) Co-Respondent will submit weekly reports to the Department of claim payments received and deposited in a format and manner to be described by the Department;
- (iii) Co-Respondent will provide the following information to the Department on a weekly basis: the number of open claims, including partially paid claims not resolved, settled or closed from September 2012 onward; the amount of restitution made to consumers that week and the amount of restitution anticipated to be made in the two weeks thereafter; and the amounts then available and anticipated to be available to make restitution to consumers;
- (iv) Co-Respondent agrees, upon a claimant's request, to cancel the contract of any claimant whose claim is still open without assessing any penalty fees against the claimant;
- (v) Co-Respondent will cease and desist from taking on any new claims adjusting business as of February 1, 2015 unless the provisions of this Order are so modified by the Department. Information on all cases considered not settled due to disputes between an insurance company and Co-Respondent shall be made accessible to the Department for inspection at any time;
- (vi) Co-Respondent shall have one or more designated licensees responsible for its compliance with the insurance laws whose duties shall include

working towards resolving outstanding and on-going open claims or claims in dispute;

(vii) Co-Respondent agrees that, upon resolution of all outstanding claims, the license of Citizens Public Adjusters Inc., will be surrendered.

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, it may, in its discretion, pursue any and all legal remedies available, including but not limited to the following: The Insurance Department may enforce the provisions of this Order in the Commonwealth Court of Pennsylvania or in any other court of law or equity having jurisdiction; or 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.

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.

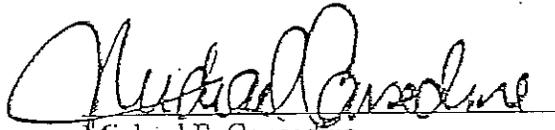
8. In any such enforcement proceeding, Respondents may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.



BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: The Act of April 9, 1929, P.L. 177, No. 175, known as The  
Administrative Code of 1929

AND NOW, this 10 day of March, 2014, Arthur F. McNulty,  
Deputy Insurance Commissioner, is hereby designated as the Commissioner's duly  
authorized representative for purposes of entering in and executing Consent Orders. This  
delegation of authority shall continue in effect until otherwise terminated by a later Order  
of the Insurance Commissioner.

  
Michael F. Consedine  
Insurance Commissioner

