

**BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA**

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PA INSURANCE DEPARTMENT

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ADMIN HEARINGS OFFICE

IN RE:

JOSEPH A. SCIAMANNA
116 Primrose Lane
Sinking Spring, Pennsylvania 19608

Respondent

: ALLEGED VIOLATIONS:

: Sections 606-A and 611-A, and 639 of the
: Insurance Department Act of 1921, Act of
: May 17, 1921, P.L. 789, No. 285, as
: amended (40 P.S. §§ 310.6, 310.11).

: Docket No. SC04-06-058

SETTLEMENT AGREEMENT

THIS AGREEMENT is made this 23rd day of July 2004 between the Insurance Department of the Commonwealth of Pennsylvania ("Department") and Joseph A. Sciamanna ("Respondent"), referred to herein collectively as "the Parties."

BACKGROUND

WHEREAS, Respondent is a licensed insurance producer, having a residential address at 116 Primrose Lane, Sinking Spring, Pennsylvania 19608.

WHEREAS, on May 4, 1992, Respondent pleaded guilty to the following offenses in the United District Court for the Eastern District of Pennsylvania: (i) one count of unlicensed firearms dealing in violation of 26 U.S.C. § 5861(a); (ii) two counts of illegal transfer of firearms

in violation of 26 U.S.C. § 5861(e); (iii) one count of possession of a firearm with an obliterated serial number in violation of 18 U.S.C. 922(k); and (iv) four counts of possession of an unregistered firearm in violation of 26 U.S.C. § 5861(d). All of the eight counts to which Respondent pleaded guilty are felonies pursuant to 18 U.S.C. § 3559(a) and none have been expunged, pardoned or otherwise removed from his record.

WHEREAS, on or about April 4, 2003, Respondent submitted a license application to the Insurance Department seeking an insurance producer license with a line of authority in life and annuities, and on that application Respondent did not disclose any of his eight felony convictions. Based upon the information contained in Respondent's April 4, 2003 application, the Department issued an insurance producer license with a line of authority in life and annuities.

WHEREAS, on or about January 2, 2004, Respondent filed an application with the Department to add the property/casualty line to his producer license, and that application disclosed Respondent's criminal convictions for the first time to the Department.

WHEREAS, on March 31, 2004, the Department denied Respondent's January 2, 2004 application to add the property/casualty line of authority. In a letter received by the Department on April 15, 2004, Respondent requested a hearing on the denial of his additional line of authority. In conjunction with that appeal, the Department filed an Order to Show Cause seeking the imposition of penalties and the revocation of Respondent's insurance producer license. By Order of the Hearing Officer in this matter, Respondent's appeal and the Department's licensure action were consolidated.

WHEREAS, the disputes between the Department and Respondent have resulted in the aforementioned administrative litigation. In an effort to settle the disputes arising out of this litigation, the Parties have agreed to settle, inter alia, all claims asserted in the litigation previously described and all claims which the Department, on the one hand, and Respondent, on the other hand, have against each other, arising out of, or in any way related to the matters addressed in the Department's Order to Show Cause, all subject to, and on the terms and conditions hereinafter set forth.

AGREEMENTS

The Parties, intending to be legally bound, hereby agree to the following:

1. Respondent shall withdraw his appeal filed under the above-captioned docket number, and agrees that the Administrative Hearings Office, upon receipt of this Settlement Agreement for filing, may mark the appeal as withdrawn without the need for any Motion or other additional filing.
2. Respondent's insurance producer license shall be revoked.
3. Respondent shall cease and desist from any and all violations alleged in the Department's Order to Show Cause.
4. The Department shall waive any and all monetary penalties that might be

imposed upon Respondent for the violations of insurance law alleged in the Department's Order to Show Cause.

5. Respondent shall not apply for licensure with this Department in any capacity for a period of five years from the date of final execution of this Agreement. Should Respondent apply for licensure by the Department in any capacity in the future, he must satisfy any and all license requirements existing at that time, any matters alleged in the Department's Order to Show Cause may be considered by the Department when rendering a decision on any future license application, and this Agreement does not amount to any guarantee to future licensure. Also, should Respondent request future licensure by the Department in any capacity, Respondent must also obtain written consent to engage in the business of insurance pursuant to 18 U.S.C. §§ 1033, 1034. If written consent is granted at that time, the terms and conditions of such written consent may supercede the terms of this Agreement where the terms might conflict or otherwise be inconsistent. This Agreement does not constitute written consent to engage in the business of insurance pursuant to 18 U.S.C. §§ 1033, 1034.

6. Should Respondent ever become re-licensed by the Department, Respondent agrees that any future licenses may be immediately suspended by the Department following its investigation and determination that: (i) any terms of this Settlement Agreement have not been complied with; and/or (ii) any complaint against Respondent is found to be accurate and a statute or regulation has been violated. The Department's right to act under this paragraph is limited to a period of three years from the date of initial licensure.

7. Respondent specifically waives his right to prior notice of the suspension referenced in paragraph 4 above, 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. At this hearing, Respondent shall have the burden of demonstrating that he is worthy of an insurance license.

8. In the event Respondent's license is suspended pursuant to paragraph 5 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 license shall be revoked.

9. This agreement is made solely for the purpose of resolving the differences between the Parties addressed herein, and nothing in this Agreement shall be construed as or constitutes an admission of liability by any Party or an admission of the validity or enforceability of any claims or demands released hereby.

10. For and in consideration of Respondent's release and discharge of the Commonwealth of Pennsylvania and the Department from any action, claim or demand arising out of the matters addressed in the Department's Order to Show Cause, the Commonwealth of Pennsylvania and the Department hereby release and discharge Respondent from any claims in any court which the Commonwealth of Pennsylvania and/or the Department have or may have as a result of the allegations made in the Department's Order to Show Cause. It is agreed and

understood that the aforementioned release and discharge include all costs and attorneys' fees.

11. For and in consideration of the Commonwealth of Pennsylvania's and the Department's release and discharge of Respondent from any action, claim or demand arising out of the matters addressed in the Department's Order to Show Cause, Respondent hereby releases and discharges the Commonwealth of Pennsylvania and the Department from any claims in any court which Respondent has or may have as a result of the allegations made in the Department's Order to Show Cause. It is agreed and understood that the aforementioned release and discharge include all costs and attorneys' fees.

12. Captions used herein are for convenience only, and are not a part hereof, and shall not be used in construing this Agreement.

13. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns, and, in addition hereto, shall be binding upon any receiver, liquidator, rehabilitator, conservator, supervisor and any other person or entity governmental or non-governmental, exercising or seeking to exercising the powers of the persons named above.

14. This Agreement shall be governed by, and construed in accordance with the laws of the Commonwealth of Pennsylvania.

15. This Agreement contains the entire agreement of the parties respecting the

subject matter herein and supersedes all previous communications, representations, or agreements, either verbal or written, among the parties.

Executed this day and year first above written.



JOSEPH A. SCIAMANNA
Respondent



RANDY L. ROHRBAUGH
Deputy Insurance Commissioner
Insurance Department of the
Commonwealth of Pennsylvania

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 COMMONWEALTH DEPT OF REVENUE
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 ADMIN HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER
 OF THE
 COMMONWEALTH OF PENNSYLVANIA

IN RE:
 Appeal of:
Joseph A. Sciamanna
 116 Primrose Lane
 Sinking Spring, PA 19608

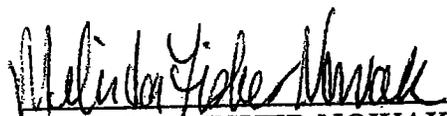
: Sections 106, 209(b), 603, 607 and
 : 639 of the Insurance Department Act
 : of 1921, Act of May 17, 1921, P.L.
 : 789, No. 285 *as amended*, 40 P.S.
 : §§ 26,47(b), 232, 233, 237, 279).

Respondent

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 : Docket No. **SC04-06-058**

ORDER

AND NOW, this 4th day of August, 2004, considering the settlement agreement of the parties filed on July 23, 2004, it is hereby **ORDERED** in accordance with the agreement of the parties that this matter is **CLOSED AND DISCONTINUED** except for enforcement of the July 23, 2004 settlement agreement. This order is effective immediately.


 MELINDA FISHER NOWAK
 Presiding Officer

DATE MAILED: August 4, 2004