

RECEIVED
INSURANCE DEPARTMENT

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

2012 JAN 25 AM 10:48
ADMIN HEARINGS OFFICE

IN RE:	:	VIOLATIONS:
	:	
RUSSEL E. ARNONE	:	40 P.S. §§ 310.11(2), (14), (16), (20)
165 Westminster Road	:	and 310.78(b)
Wilkes Barre, PA 18702	:	
	:	
Respondent.	:	Docket No. CO11-12-014

CONSENT ORDER

AND NOW, this *25th* 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 Russel E. Arnone, and maintains his address at 165 Westminster Road, Wilkes Barre, PA 18702.
- (b) Respondent is, and during all times relevant herein was, a licensed insurance producer with a resident producer individual license #348057, which expires on May 31, 2013.
- (c) Respondent, on June 14, 2010 in the United States District Court for the Middle District of Pennsylvania, Scranton, PA, was convicted of violating Title 18 United States Code, Section 4, misprison of a felony (corruptly providing a reward for official action).
- (d) Respondent failed to report his conviction to the Department within the required thirty (30) days.

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(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.
- (c) Respondent's activities described above in paragraphs 3(c) and 3(d) violate 40 P.S. § 310.11(2).
- (d) 40 P.S. § 310.11(14) prohibits a licensee or an applicant from committing a felony or its equivalent.
- (e) Respondent's activities described above in paragraph 3(c) violate 40 P.S. § 310.11(14).

- (f) 40 P.S. § 310.11(16) prohibits a licensee or an applicant from committing a violation of subarticle B.
- (g) Respondent's activities described above in paragraphs 3(c) and 3(d) violate 40 P.S. § 310.11(16).
- (h) 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.
- (i) Respondent's activities described above in paragraphs 3(c) and 3(d) violate 40 P.S. § 310.11(20).
- (j) 40 P.S. § 310.78(b) requires that within 30 days of being charged with criminal conduct, a licensee shall report the charges to the Department. The licensee shall provide the Department with a copy of the criminal complaint, information or indictment, a copy of the order resulting from any pretrial hearing, and a report of the final disposition of the charges.
- (k) Respondent's activities described above in paragraph 3(d) violate 40 P.S. § 310.78(b).

(l) Respondent's violations of Sections 310.11(2), (14), (16), (20) and 310.78(b) 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 shall immediately surrender all licenses to conduct the business of insurance within the Commonwealth of Pennsylvania as of the date of this Consent Order.
- (c) Respondent may reapply for licensure after three (3) years from the date of this Order without testing requirements.

(d) Future license applications, if any, will require a 1033 Waiver, pursuant to the Violent Crime Control and Law Enforcement Act, 18 U.S.C. Sections 1033 and 1034.

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: *Russel E. Arnone*
RUSSEL E. ARNONE, Respondent

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