

RECEIVED  
INSURANCE DEPARTMENT

2016 NOV 16 AM 11:40

ADMIN HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
ANDREW C. SALVUCCI, JR.	:	40 P.S. §910-39.1(1)
7 Gladiola Circle	:	
Newtown, PA 18940	:	
	:	
Respondent.	:	Docket No. CO16-10-007

CONSENT ORDER

AND NOW, this 16<sup>th</sup> day of November, 2016, 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 Andrew C. Salvucci, Jr. and maintains his address at 7 Gladiola Circle, Newtown, PA 18940.
- (b) Respondent is, and at all times relevant hereto has been, a licensed Resident Title agent.
- (c) Respondent was at all times relevant hereto the Qualifying Active Officer ("QAO") for Lenders Edge Settlement Services LLC ("Lenders Edge").
- (d) Lenders Edge received \$5,000.00 from the Estate of Joyce Goldfin ("Estate") which was to be placed in a Lenders Edge escrow account for inheritance tax as stipulated in Settlement Statement (HUD-1) Final dated July 31, 2013 for Lenders Edge File No. LEPA1922FN.
- (e) On December 2, 2013, the attorney for Estate sent a letter requesting a check for the escrowed funds to Lenders Edge along with a copy of the Notice of Acceptance of Inheritance Tax Returned.

- (f) Lenders Edge did not remit a check for the escrowed funds as requested and no other response was received by Estate. Subsequently it was discovered that Lenders Edge went out of business and its license became inactive on December 13, 2014.
- (g) On February 26, 2016, Estate entered into a Release and Assignment of Claim with the surety company that held a bond for Lenders Edge and as a result Estate received \$4,000.00.
- (h) On August 12, 2016, Respondent was interviewed and said that during a September 2013 audit it was discovered that Lenders Edge partner/owner who handled funding and disbursement, was caught transferring nearly three (3) million dollars from a Lenders Edge settlement account to the partners/owner's personal account. This discovery led to civil and criminal processes involving the partner/owner and Lenders Edge; and the closure of Lenders Edge.
- (i) Respondent acknowledged that as QAO, he was responsible for all activities occurring at Lenders Edge.
- (j) On August 25, 2016, Respondent, in order to satisfy the remaining balance due to the estate, issued a check in the amount of \$1,000.00.

- (k) On September 12, 2016, the Estate confirmed receipt of the check.
- (l) No other known consumers were financially harmed.

#### 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. §910-39.1(1) states a title insurer or title agent may engage in the escrow, settlement or closing business or any combination of such businesses and operate as an escrow, settlement or closing agent, in connection with the issuance of a title insurance policy, provided that:
  - 1. Funds deposited in connection with any escrow, settlement, closing or title indemnification shall be deposited in a separate fiduciary trust account or accounts in a bank or other financial institution insured by an agency of the Federal Government. Such funds shall be the property of the person or persons entitled thereto in accordance with the provision of the escrow, settlement, closing or title indemnification and shall be segregated by escrow,

settlement, closing or title indemnification in the records of the title insurer or title agent. Such funds shall not be subject to any debts of the title insurer or title agent and shall be used only in accordance with the terms of the individual escrow, settlement, closing or title indemnification under which the funds were accepted.

(c) Respondent's activities described above in paragraphs 3(d) through 3(f) and 3(h) violate 40 P.S. §910-39.1(1).

(d) Respondent's violations of Sections 910-39.1(1) 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 pay a civil penalty of One Thousand Dollars (\$1,000.00) to the Commonwealth of Pennsylvania. Payment of this penalty shall be made by certified check or money order, payable to the Commonwealth of Pennsylvania. Payment should be directed to Bureau of Licensing and Enforcement, 1227 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment may be enclosed with the Consent Order, but must be paid in any event no later than fourteen (14) days after the date of the Consent Order.
- (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 confirmed 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 three (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.

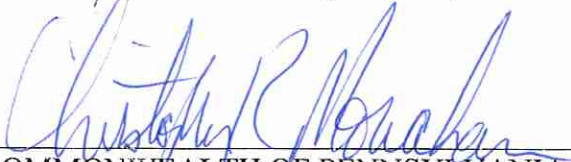
11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law



contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or a duly authorized delegee.

BY:

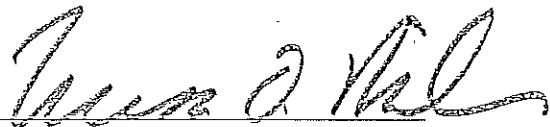
  
\_\_\_\_\_  
ANDREW C. SALVUCCI, JR., Respondent

  
\_\_\_\_\_  
COMMONWEALTH OF PENNSYLVANIA  
By: CHRISTOPHER R. MONAHAN  
Deputy Insurance Commissioner

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 13<sup>th</sup> day of November, 2015, Christopher R. Monahan,  
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.



Teresa D. Miller  
Insurance Commissioner

