

RECEIVED
INSURANCE DEPARTMENT

2016 OCT -4 AM 10:34

ADMIN HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
ALFONSO JOSEPH SEBIA	:	40 P.S. §§310.11(14), (17), (20)
107 Carbon Street	:	and 310.78(b)
Weatherly, PA 18255	:	
	:	
Respondent.	:	Docket No. CO16-08-005

CONSENT ORDER

AND NOW, this *4th* day of *October*, *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 Alfonso Joseph Sebia and maintains his address at 107 Carbon Street, Weatherly, PA 18255.
- (b) Respondent is, and at all times relevant hereto has been, a licensed resident producer and Qualifying Active Officer for Halo Incorporated [Halo Inc.].
- (c) From July 12, 2014 until December 27, 2014, Respondent, listing Halo Inc. as the named producer, issued 23 Acord Certificates of Liability Insurance to Mac Sign Systems, Inc. claiming workers compensation insurance was being afforded by the State Workers' Insurance Fund when no such coverage was provided.
- (d) Mac Sign Systems, Inc. paid Respondent \$7,112.38 for workers compensation coverage which Respondent never applied toward coverage nor returned to Mac Sign Systems, Inc.
- (e) From July 21, 2014 until August 22, 2014, Respondent, listing Halo Inc. as the named producer, issued 49 Certificates to Work Force Resources claiming

workers compensation insurance was being afforded by the State Workers' Insurance Fund when no such coverage was provided.

- (f) Work Force Resources paid Respondent \$31,083.81 for workers compensation coverage which Respondent never applied toward coverage nor returned to Work Force Resources.
- (g) From September 30, 2013 until December 29, 2013; and from June 24, 2014 until September 22, 2014, Respondent, listing Halo Inc. as the named producer, issued 61 Certificates to Sargent Enterprises, Inc. claiming workers compensation insurance was being afforded by the State Workers' Insurance Fund when no such coverage was provided.
- (h) Sargent Enterprises, Inc. paid Respondent \$123,972.90 for workers compensation coverage which Respondent never applied toward coverage nor returned to Sargent Enterprise, Inc.
- (i) From September 20, 2013 until January 8, 2015, Respondent, listing Halo Inc. as the named producer, issued a Certificate to Shady Tree, Inc. claiming workers compensation insurance was being afforded by the State Workers' Insurance Fund when no such coverage was provided.

- (j) Shady Tree, Inc. paid Respondent \$22,722.68 for workers compensation coverage which Respondent never applied toward coverage nor returned to Shady Tree, Inc.
- (k) Respondent did not possess the authority to issue Certificates on behalf of the State Workers' Insurance Fund.
- (l) Respondent failed to report and provide documentation regarding criminal charges consisting of 4 third degree felony counts of Title 18 §4117(a)(4) Unlicensed Broker/Agent Activity, 134 third degree felony counts of Title 18 § 4101(a)(2) Forgery – Unauthorized Act in Writing, and 4 third degree felony counts of Title 18 § 3927(a) Theft By Failure To Make Required Disposition of Funds initially filed on September 3, 2015 and December 10, 2015
- (m) On February 12, 2016, Respondent entered a guilty plea to four (4) third degree felony counts of Title 18 §4117(a)(4) Unlicensed Broker/Agent Activity and four third degree felony counts of Title 18 § 4101(a)(2) Forgery – Unauthorized Act in Writing.
- (n) On July 12, 2016, Respondent told a department investigator that he signed and was in complete control of issuing all of the Certificates.

- (o) Respondent admitted that he received money paid as premium for workers compensation insurance from Mac Sign Systems, Inc., Work Force Resources, Sargent Enterprises, Inc., and Shady Tree, Inc. when no such insurance coverage was in effect and/or afforded to the company employees.

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(14) prohibits a licensee or an applicant from committing a felony or its equivalent.
- (c) Respondent's activities described above in paragraph 3(m) violate 40 P.S. §310.11(14).
- (d) 40 P.S. §310.11(17) prohibits a licensee or an applicant from committing fraud, forgery, dishonest acts or an act involving a breach of fiduciary duty.

- (e) Respondent's activities described above in paragraphs 3(c) through 3(o) violate 40 P.S. §310.11(17).
- (f) 40 P.S. §310.11(20) prohibits a licensee or an applicant from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the department that the licensee is worthy of licensure.
- (g) Respondent's activities described above in paragraphs 3(c) through 3(o) violate 40 P.S. §310.11(20).
- (h) 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.
- (i) Respondent's activities described above in paragraph 3(l) violate 40 P.S. §310.78(b).
- (j) Respondent's violations of Sections 310.11(14), (17), (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) All licenses of Respondent to do the business of insurance are hereby revoked.
- (c) Respondent shall make restitution for monies paid for workers compensation coverage as previously identified in Findings of Facts and ordered by the Court of Common Pleas of Lackawanna County. Proof of restitution payment shall be provided to the Insurance Department by Respondent.

- (d) If Respondent should ever become licensed in the future, his 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 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 ten (10) years from the date of issuance of such licenses.
- (e) 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.
- (f) At the hearing referred to in paragraph 5(e) of this Order, Respondent shall have the burden of demonstrating that he is worthy of an insurance license.
- (g) In the event Respondent's licenses are suspended pursuant to paragraph 5(d) 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.

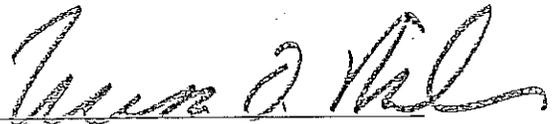
BY: 
ALFONSO JOSEPH SEBIA, Respondent


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 13th 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

