

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

RECEIVED
INSURANCE DEPARTMENT
2009 SEP - 1 PM 1:51
ADMIN HEARINGS OFFICE

IN RE: : VIOLATIONS:
: :
JAMIE P. LAKE : 40 Purdons Statutes, Sections
628 North Irving Avenue : 310.5(b), 310.11(4), (5), (6), (7)
Scranton, Pennsylvania 18508 : (14), (17), (20), 310.78(b) and 310.96
: :
: 40 Purdons Sections
: 1171.5(a)(1)(i) and 1171.5(a)(2)
: :
Respondent. : Docket No. CO09-07-011

CONSENT ORDER

AND NOW, this *1st* day of *September*, 2009, 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 Jamie P. Lake, and maintains his address at 628 North Irving Avenue, Scranton, Pennsylvania 18508.
- (b) Respondent is, and during all times relevant herein was a licensed insurance agent with a Certificate Of Qualification No. 295594, which expires on September 30, 2009.
- (c) Respondent, during all times relevant herein was, Doing Business As: JPL Financial (JPL).
- (d) JPL, during all times relevant herein was never licensed to transact the business of insurance in the Commonwealth of Pennsylvania.
- (e) Respondent , between approximately May 2006 and October 2008, collected approximately six-hundred-thousand dollars (\$600,000.00) in

funds from approximately thirty-three (33) Pennsylvania consumers, and converted the funds to his own use.

(f) Respondent issued fraudulent insurance contracts to the clients referenced in (e) above.

(g) Respondent, on June 1, 2009 in the United States District Court for the Middle District of Pennsylvania, Scranton, Pennsylvania, plead guilty to one count of Mail Fraud, a felony.

(h) Respondent failed to notify the Department of his conviction 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 Purdons Statutes, Section 310.5(b) requires that a business entity with an office in this Commonwealth shall apply for a resident insurance producer license.
- (c) Respondent's activities described above in paragraph 3(d) violate 40 Purdons Statutes, Section 310.5(b).
- (d) 40 Purdons Statutes, Section 310.11(4) prohibits producers from improperly withholding, misappropriating, or converting money or property received in the course of doing business.
- (e) Respondent's activities described above in paragraph 3(e) constitute improperly withholding, misappropriating, or converting money or property received in the course of doing business, in violation of 40 Purdons Statutes, Section 310.11(4).
- (f) 40 Purdons Statutes, Section 310.11(5) prohibits a licensee or an applicant from intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
- (g) Respondent's activities described above in paragraph 3(f) violate 40 Purdons Statutes, Section 310.11(5).

- (h) 40 Purdons Statutes, Section 310.11(6) prohibits a licensee or applicant from committing any unfair insurance practice or fraud.

- (i) Respondent's activities described above in paragraphs 3(e) and 3(f) violate 40 Purdons Statutes, Section 310.11(6).

- (j) 40 Purdons Statutes, Section 310.11(7) prohibits a licensee or applicant from using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business.

- (k) Respondent's activities described above in paragraphs 3(e) and 3(f) violate 40 Purdons Statutes, Section 310.11(7).

- (l) 40 Purdons Statutes, Section 310.11(14) prohibits a licensee or applicant from committing a felony or its equivalent.

- (m) Respondent's activities described above in paragraphs 3(e) through 3(g) violate 40 Purdons Statutes, Section 310.11(14).

- (n) 40 Purdons Statutes, Section 310.11(17) prohibits a licensee or applicant from committing fraud, forgery, dishonest acts or an act involving a breach of fiduciary duty.
- (o) Respondent's activities described above in paragraphs 3(e) and 3(f) violate 40 Purdons Statutes, Section 310.11(17).
- (p) 40 Purdons Statutes, Section 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.
- (q) Respondent's activities described above in paragraphs 3(c) through 3(h) violate 40 Purdons Statutes, Section 310.11(20).
- (r) 40 Purdons Statutes, Section 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.

- (s) Respondent's activities described above in paragraph 3(h) violate 40 Purdons Statutes, Section 310.78(b).

- (t) 40 Purdons Statutes, Section 310.96 and Title 31, Pa. Code, Section 37.81, the Regulations of the Insurance Department, prohibit producers from, without the express consent of the insurance entity on whose behalf the funds were received, mingle the funds with the producer's own funds or with funds held by the producer in any other capacity. The funds of each insurance entity must be reasonably ascertainable from the books of accounts and records of the insurance producer.

- (u) Respondent's activities described above in paragraph 3(e) constitute a violation of 40 Purdons Statutes, Section 310.96, and Title 31, Pa. Code, Section 37.81.

- (v) Respondent's violations of Sections 310.5(b), 310.11(4), (5), (6), (7), (14), (17), (20), 310.78(b) and 310.96 are punishable by the following, under 40 Purdons Statutes, Section 310.91:
 - (i) suspension, revocation or refusal to issue the certificate of qualification or 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.

- (w) 40 Purdons Statutes, Section 1171.5(a)(1)(i) prohibits persons from misrepresenting the benefits, advantages, conditions or terms of any insurance policy.

- (x) Respondent's activities described above in paragraphs 3(e) through 3(f) constitute misrepresenting the benefits, advantages, conditions or terms of any insurance policy and violate 40 Purdons Statutes, Section 1171.5(a)(1)(i).

- (y) 40 Purdons Statutes, Section 1171.5(a)(2) prohibits persons from making, issuing, publishing or circulating in any manner an advertisement, announcement or statement containing any representation or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business which is untrue, deceptive or misleading.

- (z) Respondent's activities described above in paragraph 3(f) constitute making, issuing, publishing or circulating in any manner an advertisement, announcement or statement containing any representation or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business

which is untrue, deceptive or misleading and violate 40 Purdons Statutes, Section 1171.5(a)(2).

(aa) Respondent's violations of 40 Purdons Statutes, Sections 1171.5(a)(1)(i) and 1171.5(a)(2) are punishable by the following, under 40 Purdons Statutes, Sections 1171.8, 1171.9, and 1171.11:

(i) order requiring Respondent to cease and desist from engaging in such violation and/or, if such violation is a method of competition, act or practice defined in Section 5 of this Act, suspension or revocation of Respondent's license(s);

(ii) commencement of an action against Respondent for the following civil penalties:

(1) for each method of competition, act or practice defined in Section 5 and in violation of the Act which Respondent knew or reasonably should have known was such a violation, a penalty of not more than five thousand dollars (\$5,000.00) for each violation, not to exceed an aggregate penalty of fifty thousand dollars (\$50,000.00) in any six month period;

- (2) for each method of competition, act or practice defined in Section 5 and in violation of this Act which Respondent did not know nor reasonably should have known was such a violation, a penalty of not more than one thousand dollars (\$1,000.00) for each violation, not to exceed an aggregate penalty of ten thousand dollars (\$10,000.00) in any six month period;
- (3) for each violation of an Order issued by the Commissioner pursuant to Section 9 of the Act, while such Order is in effect, a penalty of not more than ten thousand dollars (\$10,000.00).

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/certificates of Respondent to do the business of insurance are hereby revoked.

(c) Respondent shall make restitution to all persons listed in the above Findings of Fact. Proof of restitution payment shall be provided to the Insurance Department by Respondent. Future license applications will not be considered until restitution has been made.

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.

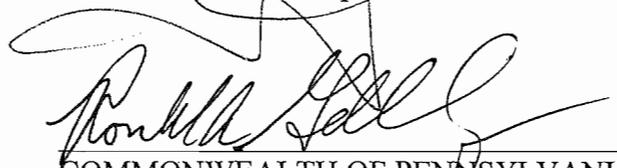
10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

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:



JAMIE P. LAKE, Respondent



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