

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)
and Insurance, State of New Jersey, to fine) CONSENT
the insurance license of PBM Financial Group,) ORDER
Inc. Reference No.1070935, PBM Insurance and)
Financial Group, LLC Reference No.1295551)
and Victor M. Silva Reference No. 8200953)

To: PBM Financial Group, Inc. PBM Insurance and Financial Group LLC
120 Acme Street 15 Center Street
Elizabeth, NJ 07202 Springfield, NJ 07081

Victor M. Silva
120 Acme Street
Elizabeth, NJ 07202

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that PBM Financial Group, Inc. (“PBM”), previously licensed as a resident business entity insurance producer, pursuant to N.J.S.A. 17:22A-32, PBM Insurance and Financial Group, LLC (“PBMIFG”), currently licensed as a resident business entity insurance producer, pursuant to N.J.S.A. 17:22A-32, and its designated responsible producer (DRLP), Victor M. Silva (“Silva”), currently licensed as a resident individual insurance producer, pursuant to N.J.S.A. 17:22A-32, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, PBM, PBMIFG and Silva (collectively “Respondents”) are subject to the provisions of New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (2) an insurance producer shall not violate any insurance laws, or violate any regulation, subpoena or order of the Commissioner or of another state’s insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (8) an insurance producer shall not use fraudulent, coercive, or dishonest practices, or demonstrate incompetence, lack of trustworthiness or financial irresponsibility in the conduct of insurance business in this State; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (10) an insurance producer shall not forge another’s name to an application for insurance or to any document related to an insurance transaction; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (15) an insurance producer shall not intentionally withhold material information or make a material misstatement in an application for a license; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a (18) an insurance producer shall notify the Commissioner within 30 days of his conviction of any crime, indictment or the filing of any formal criminal charges, or the suspension or revocation of any insurance license or authority by a state, other than this State, or the initiation of formal disciplinary proceedings in a state, other than this State, affecting the producer’s insurance license; or failing to obtain the written consent pursuant to sections 1033 and 1034 of Title 18,

United States code (18 U.S.C. §§.1033 and 1034); or failing to supply any documentation the Commissioner may request therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47(a) an insurance producer shall report to the Commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this State within 30 days of the final disposition of the matter; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.2 in cases where an applicant's signature is required, an insurance producer who takes an application for insurance shall be required to witness the signature of the prospective insured on the application prior to the submission of the application to the insurer only when the application is signed by the applicant after having been completed in a face to face meeting between the producer and the prospective insured; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.6(a) each place of business maintained by an insurance producer for the purpose of transacting the business of insurance shall be under the direct supervision of an insurance producer; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.6(c) licensed partners, officers and directors, and all owners with an ownership of 10 percent or more in the organization shall be held responsible for all insurance related conduct of the organization licensee, any of its branch offices, its other licensed officers or partners, and its employees; and

WHEREAS, on and between October 20, 2009 and March 15, 2011 Respondents PBM and Silva allowed LMB, an unlicensed employee of PBM, to submit eleven application forms to Transamerica Life Insurance Company which did not contain the genuine signature of the insured, and instead, contained computer transposed signatures appearing on prior PBM insurance applications, in violation of N.J.S.A. 17:22A-40a (2), (8) and (10), N.J.A.C. 11:17A-4.2 and N.J.A.C. 11:17A-1.6 (a) and (c); and

WHEREAS, on August 29, 2012 Respondent Silva was named in a State of Connecticut Department of Insurance Stipulation and Consent Order wherein Respondent Silva was fined \$2,000.00 for violating sections of the Connecticut General Statutes, in violation of N.J.S.A. 17:22A-40a (2); and

WHEREAS, on December 12, 2013 and February 1, 2016 Respondent Silva executed renewals of his New Jersey insurance producer license and improperly answered “no” to question Number 4 which asks “Have you been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration, which has not been previously reported to this insurance department?”, in violation of N.J.S.A. 17:22A-40a (2), (8), and (15); and

WHEREAS, on May 20, 2013 and May 29, 2015 Respondent Silva executed renewals of Respondent PBMIFG’s insurance producer business entity license, and improperly answered “no” to question Number 2 which asks “Has the business entity or any owner, partner, officer or director, or manager or member of a limited liability company, been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational

license, or registration, which has not been previously reported to this insurance department?”, in violation of N.J.S.A. 17:22A-40a (2), (8) and (15); and

WHEREAS, Respondent Silva failed to report the State of Connecticut Department administrative action to the Commissioner within the required thirty day time period, in violation of N.J.S.A. 17:22A-40a (2), (8) and (18), and N.J.S.A. 17:22A-47(a); and

WHEREAS, Respondents:

- 1) Have admitted responsibility for the aforementioned violations; and
- 2) Have cooperated fully with the New Jersey Department of Banking and

Insurance’s (“Department”) investigation; and

WHEREAS, cause does exist under N.J.S.A. 17:22A-40(a) and N.J.S.A. 17:22A-45c to impose a fine; and

WHEREAS, Respondents have waived their right to a hearing on the aforementioned violations and have consented to the payment of a fine in the amount of \$3,500.00; and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

NOW, THEREFORE, IT IS on this 15th day of June 2016,

ORDERED AND AGREED, that the Respondents shall jointly and severally be liable for the fine payment of \$3,500.00 to the Department; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier’s check or money order made payable to the State of New Jersey,

General Treasury in an initial payment of \$500.00 due and payable immediately upon the execution of this Consent Order by the Respondents and twelve (12) subsequent payments of \$250.00 due and payable on or before the 31st day of each month thereafter; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the initial payment of \$500.00 and each subsequent monthly installment payment shall be remitted to:

New Jersey Department of Banking and Insurance
ATTN: Virgil Downtin, Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement
P O Box 329
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the fine is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to, recovery of any unpaid penalties in summary proceedings, in accordance with the penalty enforcement law, N.J.S.A. 2A:58-10 et seq.; and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED that the Respondents shall cease and desist from engaging in the conduct that gave rise to this Consent Order.



Peter L. Hartt
Director of Insurance

Consented to as to
Form, Content and Entry

Victor M. Silva



Date: 5-13-16

PBM Financial Group



VICTOR SILVA (President)
(Print Name and Title)

Date: 5-13-16

PBM Insurance and Financial Group LLC



VICTOR SILVA, President
(Print Name and Title)

Date: 5-13-16