

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  
Marsh & McLennan Agency LLC, )                    ORDER  
Ref. No. 1234715 and Charles E. Pessagno, )  
Ref. No. 8046425. )

TO: **Marsh & McLennan Agency LLC**  
1166 Avenue of the Americas  
New York, NY 10036

**Charles E. Pessagno**  
18000 Horizon Way, Suite 400  
Mount Laurel, NJ 08054

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information voluntarily self-reported by Marsh & McLennan Agency, LLC (“MMA”), that MMA, currently licensed as a nonresident business entity insurance producer pursuant to N.J.S.A. 17:22A-34 and Charles E. Pessagno (“Pessagno”), currently licensed as a resident individual insurance producer, pursuant to N.J.S.A. 17:22A-32a, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, MMA and Pessagno (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. 17:29A-15, N.J.S.A. 17:29B-4(8), N.J.S.A. 17B:30-13, and N.J.A.C. 11:17A-2.3(a), except as otherwise expressly provided by law, no insurance producer shall offer, make or give, or permit to be offered, made or given, to any person directly or indirectly, as an inducement to insurance, or after insurance has been effected, anything of value whatsoever not specified in the contract to purchase insurance and/or the rating system; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.2, an inducement “means money or any favor, advantage, object, valuable consideration or anything other than money which has a cost of or a redeemable value greater than \$25.00”; and

WHEREAS, in or around November of 2009, MMA acquired the assets of the NIA Group Associates, LLC (“NIA”), including its Cape May Office; and

WHEREAS, since at least 1999 until the end of 2009, Pessagno served as the President of NIA’s South Jersey offices in Cape May and Mount Laurel and was a salaried employee of NIA until January 1, 2010, when he became a salaried employee of MMA; and

WHEREAS, Respondents self-reported that between the years of 2010 and 2014, on multiple occasions, Pessagno gifted tickets in excess of \$25.00 to sporting events, concerts, and/or golf tournaments to persons directly or indirectly, who were employed by in-force policy holders who procured insurance through MMA and/or Pessagno, which were not specified in the contract to purchase insurance or the rating system (the “Conduct”), in violation of N.J.S.A. 17:22A-40a(2), N.J.S.A. 17:29A-15, N.J.S.A. 17:29B-4(8), N.J.S.A. 17B:30-13, and N.J.A.C. 11:17A-2.3(a); and

WHEREAS, between the years of 2010 and 2014 Pessagno submitted detailed reports of said items and was reimbursed for same by MMA (the "Conduct"), in violation of N.J.S.A. 17:22A-40a(2), N.J.S.A. 17:29A-15, N.J.S.A. 17:29B-4(8), N.J.S.A. 17B:30-13, and N.J.A.C. 11:17A-2.3(a); and

WHEREAS, Respondents:

- 1) Have acknowledged the aforementioned violations; and
- 2) Have cooperated fully with the investigation conducted by the Department; and
- 3) Have voluntarily self-reported the conduct to the Department which is the subject of this Consent Order; and

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

WHEREAS, Respondent MMA has waived its right to a hearing on the aforementioned violations and has consented to the payment of a fine in the amount of \$50,000.00; and

WHEREAS, Respondent Pessagno has waived his right to a hearing on the aforementioned violations and has consented to the payment of a fine in the amount of \$100,000.00; and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing on the aforementioned violations, and further good cause appearing; and

NOW, THEREFORE, IT IS on this 20<sup>TH</sup> day of APRIL, 2015:

ORDERED AND AGREED that Respondent MMA shall pay a fine in the amount of \$50,000.00 to the Department; and

IT IS FURTHER ORDERED AND AGREED that Respondent Pessagno shall pay a fine in the amount of \$100,000.00 to the Department; and

IT IS FURTHER ORDERED AND AGREED that said fines shall be paid by certified check, cashier's check or money order made payable to the State of New Jersey, General Treasury, and shall be due and payable within 10 days after execution of this Consent Order by Respondents; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the fine payments in the amounts of \$50,000.00 from MMA and \$100,000.00 from Pessagno shall be remitted to:

New Jersey Department of Banking and Insurance  
ATTN: Virgil Downtin, Chief of Investigations  
9<sup>th</sup> Floor – Enforcement Unit  
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 in accordance with this Order, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid amounts 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 Respondents shall cease and desist from engaging in the Conduct that gave rise to this Consent Order.



Peter L. Hart  
Director of Insurance

Consented to as to  
Form, Entry, and Content

**Marsh & McLennan Agency LLC**

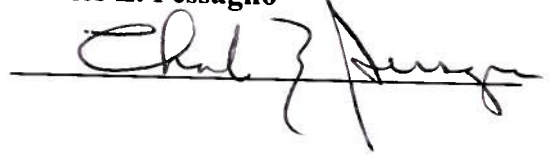
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(Print Name and Title)

Date: \_\_\_\_\_

**Charles E. Pessagno**



Date: March 23, 2015

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Peter L. Hartt  
Director of Insurance

Consented to as to  
Form, Entry, and Content

**Marsh & McLennan Agency LLC**

STEVEN L. Grossberg

President & CEO, N.E. Region

(Print Name and Title)

Date: 3/23/15

**Charles E. Pessagno**

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Date: \_\_\_\_\_