

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In. Re: Roland Matatics

INS No. 11-022-EP

**ORDER TO SHOW CAUSE
AND NOTICE OF HEARING**

The New Hampshire Insurance Department (“NHID”) orders Roland C. Matatics (“Mr. Matatics”) to show cause why the Insurance Commissioner should not revoke his New Hampshire insurance producer license and impose the maximum fine allowed by law. In support of this Order to Show Cause and pursuant to RSA 541-A:31, the NHID states as follows:

I. FACTS

A. The Respondent

Mr. Matatics is a licensed New Hampshire insurance producer. Until recently, Mr. Matatics was employed by the Metropolitan Life Insurance Company (“MetLife”) at its offices at 222 West Street in Keene, New Hampshire. However, MetLife terminated Mr. Matatics’ employment on September 29, 2011.

B. The Victim

The victim of Mr. Matatics’ alleged misconduct is an eighty-six year old man who shall be referred to herein as “John Doe.” John Doe was born in Vermont but has resided for nearly his entire life in the same house in Keene, New Hampshire. After his father’s death in 1952, John Doe resided in this house with his widowed mother and two sisters. Neither John Doe nor his sisters ever married. Following their mother’s death in 1991, the three siblings continued to reside together in their ancestral home. They maintained that

arrangement until sisters' deaths in 2007 and 2009, respectively. With the assistance of around-the-clock caregivers, John Doe has been able to continue to reside in his ancestral home.

Before his retirement 1987, John Doe worked his entire adult life as a custodian at a Keene public school located just around the corner from his home. John Doe derives a modest income from a pension and from Social Security.

C. John Doe's Relationship with MetLife

The first MetLife producer with whom John Doe and his sisters dealt was Richard Bradd ("Mr. Bradd"). How or when Richard Bradd was first introduced to John Doe and his sisters is unclear. What is clear, however, is that Mr. Bradd sold John Doe or his sisters or all three of them certain insurance products that by the time of the second sister's death in 2009 had a combined value of nearly one-million dollars. That money represents essentially all of John Doe's assets except for his home and his monthly income.

In 2004, Mr. Bradd retired from MetLife, and John Doe's and his sisters' accounts were transferred to Mr. Matatics, who remained the producer of record on Mr. Doe's MetLife contracts until MetLife terminated Mr. Matatics' employment on September 29, 2011.

Although Mr. Matatics introduced himself to John Doe's medical providers as his "neighbor," Mr. Matatics was never John Doe's neighbor, and the relationship between the two was fundamentally that of an insurance producer and a consumer. Moreover, at no time did Mr. Matatics ever have a financial power of attorney, a healthcare power of attorney or any other legal authority or guardianship over John Doe.

D. John Doe Is Diagnosed With Dementia

In either very late 2009 or very early 2010, John Doe slipped and fell on ice outside his home. John Doe managed to get inside his home, but he did not call 911 or otherwise seek medical assistance. It was only after a neighbor realized she had not seen John Doe for a day or two that the neighbor checked on John Doe and discovered he had injured himself in a fall. Radiology studies taken at the Cheshire Medical Center on January 2, 2010 confirmed that John Doe's fall had resulted in a displaced fracture of the lower left leg. This injury was treated surgically, and John Doe spent nearly all of the first six months of 2010 in either a hospital or a nursing home. Since his discharge from the nursing home in early June 2010, John Doe has required around-the-clock homecare, the cost of which he mostly pays for himself.

John Doe's medical records from early January 2010 through late August 2010, (when Mr. Matatics' alleged misconduct was discovered) document that throughout that time John Doe was exhibiting behavior that his medical providers describe variously as "confusion," "delirium," "dementia with psych features" and "mild cognitive impairment." In any case, by February 2, 2010, John Doe was being prescribed Exelon, a psychotropic drug used to treat dementia. John Doe's medical providers continue to treat his dementia with Exelon today.

In 2010, John Doe's medical providers were concerned enough about John Doe's mental capacity that they ordered psychiatric and geriatric consultations. The latter consultation resulted in a board-certified geriatrician assessing John Doe's mental ailment as dementia. The geriatrician specifically noted that John Doe "lack[ed] sufficient mental capacity to make decisions regarding his healthcare due to declining cognitive function."

E. Matatics' Misappropriation and Conversion of John Doe's Funds

On July 31, 2010, Matatics obtained John Doe's signature on a check drawn on John Doe's personal checking account. The check was dated July 13, 2010, and it was made payable to the "University of New Hampshire" in the amount of \$10,000. Written on the "For" line on the front of the check were the numbers 923357102, which is a University of New Hampshire student account belonging to Mr. Matatics' daughter. Except for John Doe's signature, all of the handwriting on check belongs to Mr. Matatics. The University of New Hampshire applied the \$10,000 to Mr. Matatics' daughters' tuition balance for Fall 2010 term.

Mr. Matatics' act of using John Doe's money to pay his daughter's college tuition resulted in a report being filed against Mr. Matatics with the New Hampshire Department of Health and Human Services, Division of Community Based Care, Bureau of Elderly and Adult Services ("BEAS") for potential exploitation of an elderly person. After conducting an extensive investigation over a period of several months, BEAS issued a written decision finding that Mr. Matatics had exploited John Doe by, among other misconduct, writing the tuition check from John Doe's account.¹

Mr. Matatics subsequently moved for reconsideration its finding of exploitation, but that motion was denied. The BEAS finding of exploitation is currently under appeal before the Administrative Appeals Unit.

¹ RSA 161-F:43, IV defines exploitation as "the illegal use of an incapacitated adult's person or property for another person's profit or advantage, or a breach of a fiduciary relationship through the use of a person's or a person's property for any purpose not in the proper and lawful execution of a trust, including, but not limited to, situations where a person obtains money, property, or services from an incapacitated adult through the use of undue influence, harassment, duress, deception, or fraud."

II. STATEMENT OF ISSUES

The conduct outlined above implicates the following issue: Whether Mr. Matatics exploited John Doe, an insurance customer of Mr. Matatics, and thereby demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business.

III. NEW HAMPSHIRE INSURANCE LAWS VIOLATED BY RESPONDENT

As a result of the conduct outlined above, the NHID maintains that Mr. Matatics violated RSA 402-J:12, I (h).

IV. REQUEST FOR ADMINISTRATIVE PENALTIES

Based on his alleged misconduct, and pursuant to RSA 402-J:12, I and RSA 400-A:15, III, the NHID requests that the Hearing Officer (1) revoke Mr. Matatics' New Hampshire producer license; and (2) impose a fine against Mr. Matatics in an amount not less than \$2,500.

V. NOTICE OF HEARING

Pursuant to RSA 541-A:31 and Chapter Ins 200, the hearing in this matter shall commence on December 7, 2011 at 9:00 a.m. at the offices of the NHID, 21 South Fruit Street, Suite 14, Concord, New Hampshire.

The Insurance Commissioner or his representative shall act as the Hearing Officer at the hearing.

Any party may request a transcript of the proceeding. The party requesting a transcript of the proceedings shall file a written request for a certified court reporter with the Hearing Officer at least 10 days prior to the scheduled hearing date. The costs incurred for the services of a certified court reporter shall be borne by the requesting party.

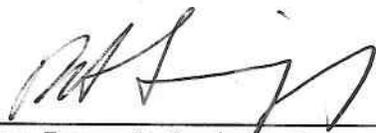
Mr. Matatics has the right to be represented by counsel at his expense. Should Mr. Matatics elect to obtain counsel, said counsel shall file a notice of appearance with the Commissioner at the earliest possible date.

Richard P. McCaffrey shall appear as staff advocate, representing the interest of the NHID.

SO ORDERED.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Date: 10-14-11

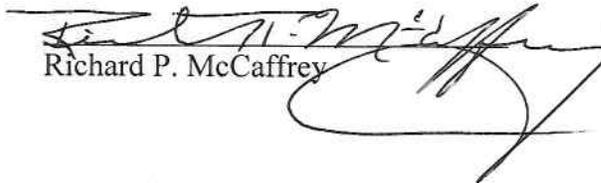


By: Roger A. Sevigny, Insurance Commissioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Order to Show Cause and Notice of Hearing was sent this day, October 14, 2011, to Roland C. Matatics by first-class mail, postage prepaid, and by certified mail, return receipt requested.

Date 10/14/2011


Richard P. McCaffrey