

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In Re: Michael A. Lamboy

Docket No.: INS No. 13-032-EP

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

The New Hampshire Insurance Department (“NHID”) orders Michael A. Lamboy (“Respondent”) to show cause why the NHID should not revoke his insurance producer’s license and impose the maximum fine allowed by law. In support of the Order to Show Cause and pursuant to RSA 541-A:31 and RSA 400-A:18, the NHID states as follows:

I. STATEMENT OF FACTS

A. The Respondent

Mr. Lamboy is a nonresident insurance producer licensed by the NHID. He is licensed by the NHID to sell accident & health insurance products. Respondent’s license lapsed on August 31, 2013. Nevertheless, the NHID has jurisdiction to take administrative action under RSA 402-J:12, V.

B. The Acts

On July 26, 2012, FINRA entered a Default Decision against Respondent. Respondent was required by FINRA rule 8210 to cooperate with a FINRA Enforcement investigation. FINRA Enforcement tried three times to contact Respondent to no avail. Respondent was permanently barred from any association with any FINRA member. The Resolution Date was August 23, 2012. Respondent did not report this action to the NHID.

On May 20, 2013, the South Dakota Department of Labor and Regulation denied Respondent's application for licensure because he failed to report the FINRA action on his application and because he failed to respond to the Insurance Department's request for information about the FINRA action. Respondent did not report this action to the NHID.

On July 15, 2013, Respondent submitted an application to the NHID to renew his license that was due to expire on August 31, 2013. Background Question # 2 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 occupation license or registration, which has not been previously reported to this insurance department?" Respondent answered "NO." Respondent should have answered "YES" due to the FINRA and South Dakota administrative actions.

On July 22, 2013, the Commonwealth of Kentucky Department of Insurance issued an Order Revoking the Respondent's insurance producer's license for his failure to report the FINRA action within 30 days of the date the administrative action was taken against him. Respondent did not report this action to the NHID.

On August 7, 2013, the State of Connecticut Insurance Department issued a Default Judgment and Order of Revocation against Respondent for his failure to report the FINRA action within 30 days of its disposition and for his failure to respond to the Insurance Department's request for a written response about the FINRA action. Respondent's license was revoked. Respondent did not report this action to the NHID.

As part of its investigation into his renewal application for licensure, the NHID sent the Respondent a letter on August 15, 2013 directing him to contact the NHID for the purpose of providing information about the other administrative actions. The Respondent failed to respond

to the August 15th letter. Moreover, using the contact phone number maintained on file with the NHID's Producer Licensing Division, the NHID also attempted to contact Respondent by telephone. The person who answered the telephone denied any knowledge of the Respondent.

On September 25, 2013, the Commonwealth of Virginia, State Corporation Commission issued an Order Revoking the Respondent's insurance producer's license for his failure to report the FINRA action within 30 days of the date the administrative action was taken against him. Respondent did not report this action to the NHID.

The NHID reserves the right to amend this statement of facts upon reasonable notice to the Commissioner (or his designated representative) and the Respondent.

II. STATEMENT OF ISSUES

A. Whether the Respondent violated RSA 402-J:17, I, by failing to report the FINRA action to the NHID within 30 days of final disposition as required.

B. Whether Respondent violated RSA 402-J:17, I, by failing to report the South Dakota Department of Labor and Regulation action to the NHID within 30 days of final disposition as required.

C. Whether the Respondent violated RSA 402-J:12, I (a), by providing incorrect, and materially untrue information on his July 15, 2013 renewal application form.

D. Whether Respondent violated RSA 402-J:17, I, by failing to report the Commonwealth of Kentucky Department of Insurance action to the NHID within 30 days of final disposition as required.

E. Whether Respondent violated RSA 402-J:17, I, by failing to report the State of Connecticut Insurance Department action to the NHID within 30 days of final disposition as required.

F. Whether the Respondent violated RSA 400-A:16, II, by failing to respond to the Department's August 15, 2013 letter requesting he contact the NHID to provide information to aid in its investigation concerning his renewal application.

G. Whether Respondent violated RSA 402-J:17, I, by failing to report the Commonwealth of Virginia, State Corporation Commission action to the NHID within 30 days of final disposition as required.

H. Whether the Respondent's actions related in A through G demonstrates untrustworthiness or incompetence or both in the conduct of business in violation of RSA 402-J:12, I (h).

The NHID reserves the right to amend this statement of issues upon reasonable notice to the Commissioner (or his designated representative) and the Respondent.

III. NEW HAMPSHIRE INSURANCE LAWS VIOLATED BY RESPONDENT

A. The NHID maintains that the Respondent violated RSA 402-J:17, I by failing to report the FINRA action to the NHID within 30 days of final disposition as required by statute.

B. The NHID maintains that the Respondent violated RSA 402-J:17, I by failing to report the South Dakota Department of Labor and Regulation action to the NHID within 30 days of final disposition as required by statute.

C. The NHID maintains that the Respondent violated RSA 402-J:12, I (a) by providing incorrect, and materially untrue information on his July 15, 2013 renewal application form when he answered Background Question # 2 "NO." Due to the FINRA and South Dakota Insurance Department administrative actions the Respondent should have answered the question "YES."

D. The NHID maintains that the Respondent violated RSA 402-J:17, I by failing to report the Commonwealth of Kentucky Department of Insurance action to the NHID within 30 days of final disposition as required by statute.

E. The NHID maintains that the Respondent violated RSA 402-J:17, I by failing to report the State of Connecticut Insurance Department action to the NHID within 30 days of final disposition as required by statute.

F. The NHID maintains that the Respondent violated RSA 400-A:16, II by failing to respond to the NHID's August 15, 2013 letter requesting he contact the NHID to provide information to aid in its investigation concerning his renewal application.

G. The NHID maintains that the Respondent violated RSA 402-J:17, I by failing to report the Commonwealth of Virginia, State Corporation Commission action to the NHID within 30 days of final disposition as required by statute.

H. The NHID maintains that the violations of RSA 402-J:17, I, RSA 402-J:12, I (a) and RSA 400-A:16, II demonstrate untrustworthiness or incompetence or both in the conduct of business pursuant to RSA 402-J:12, I (h).

The NHID reserves the right to amend this list of insurance laws violated by the Respondent upon reasonable notice to the Commissioner (or his designated representative) and the Respondent.

IV. REQUEST FOR ADMINISTRATIVE PENALTIES

Based on the insurance law violations alleged above, the NHID requests that the Commissioner (or his designated representative) issue an Order revoking the Respondent's New Hampshire insurance producer's license and, additionally, imposing an appropriate administrative fine.

V. NOTICE OF HEARING

Pursuant to RSA 541-A:31 and Chapter Ins 200, the hearing in this matter shall commence on December 4, 2013 at 9:30 a.m. at the offices of the NHID, which are located at 21 South Fruit Street, Suite 14 in Concord, New Hampshire.

Ms. Kathleen Belanger shall preside as the Hearing Officer in this matter.

Sarah Prescott shall serve as clerk to the Hearing Officer. The parties should direct all communications to Ms. Prescott, whose contact information is:

Sarah Prescott, Clerk
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301
Tel: (603) 271-2261
Fax: (603)271-1406
Email: sarah.prescott@ins.nh.gov

The Respondent has the right to be represented by counsel at his expense. Should the Respondent elect to obtain counsel, the Respondent's counsel shall file a notice of appearance with Ms. Prescott, at the earliest possible date. A copy of the NHID's Notice of Appearance form is enclosed with this Order.

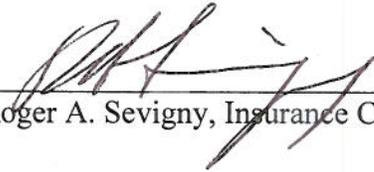
Any party may request a transcript of the proceeding. The party requesting a transcript of the proceedings shall file a written request for a certified court reporter with the Hearing Officer at least 10 days prior to the scheduled hearing date. The costs incurred for the services of a certified court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

Richard McCaffrey, Compliance and Enforcement Counsel, shall appear as staff advocate representing the interests of the NHID.

It is **SO ORDERED**.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Date: 10-28-13

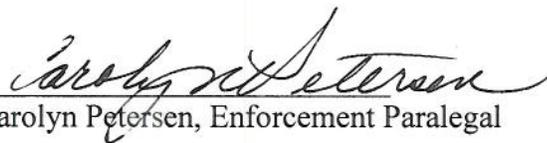


Roger A. Sevigny, Insurance Commissioner

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 date by first-class mail, postage prepaid, and by certified mail, return receipt requested to Michael A. Lamboy, 1758 Pacific Street, Brooklyn, NY 11233-3506, this being his mailing address on file with the NHID.

Date: 10.28.13



Carolyn Petersen, Enforcement Paralegal