



COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE

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July 11, 2017

Michael Tarantino
Tarantino Insurance Agency, LLC
219 Wollaston Avenue
Arlington, Massachusetts 02476

RE: Michael Tarantino & Tarantino Insurance Agency, LLC & Tarantino Insurance Agency, Inc.
Docket No. E2016-01

Dear Mr. Tarantino:

I represent the Massachusetts Division of Insurance ("Division") with regard to the above-captioned investigation. Pursuant to an investigation conducted by the Division's Special Investigations Unit, the Division has cause to believe that you have violated the Massachusetts insurance laws set forth below by the conduct detailed in this settlement letter.

On or about September 24, 2010, you submitted a Uniform Renewal Application for Individual Producer License where you failed to disclose a Florida administrative action that occurred on or about June 20, 2009. The Florida administrative action was the result of your failure to disclose a 2004 Massachusetts administrative action, where you paid a fine for failure to return premium in a timely manner. In addition, on or about December 24, 2013, you submitted another Uniform Renewal Application for Individual Producer License where you again failed to report the 2009 Florida administrative action.

On or about August 3, 2012, you and your company, Tarantino Insurance Agency, LLC ("Tarantino LLC"), were named as defendants in a civil case filed in Middlesex Superior Court by Cambridge Trust Co. The complaint alleged that you, in your capacity as owner of Tarantino LLC, guaranteed two loans, one for \$50,000 and another for \$460,000. Both loans were subsequently defaulted on with \$490,000 remaining causing Cambridge Trust Co. to file suit. On or about January 17, 2013, a default judgment was entered and you were ordered to pay \$552,056.36 in restitution.

On or about December 19, 2013, Tarantino LLC, was named as a defendant in a civil case filed in Waltham (MA) District Court by Magma Finance Company, Inc. ("Magma"). In the complaint, Magma, a premium fiancé company that sends out premium checks to insurance companies, alleged that it made out premium finance checks to Tarantino LLC directly with the understanding that the funds would then be forwarded to the appropriate insurance companies. However, the complaint alleged that in at least five instances premium funds were returned to Tarantino LLC and not remitted back to Magma. On or about

July 8, 2014, a default judgment was entered after you failed to appear and Tarantino LLC was ordered to pay \$27,218.68 in restitution to Magma.

On or about August 12, 2014, the Internal Revenue Service ("IRS") filed a Notice of Federal Lien in connection with outstanding taxes owed by yourself personally and Tarantino LLC indicating an outstanding balance of \$86,742.52 in unpaid taxes. Additionally, on or about January 27, 2015, the IRS filed another Notice of Federal Lien for taxes owed by you and Tarantino LLC in the amount of \$2,132.25.

On or about August 20, 2015, the Division received a complaint from Honor Capital ("Honor"), an insurance premium finance company alleging that you failed to remit \$12,049.53 of consumer down payments owed to Honor. Honor provided documentation showing on April 3, 2015 and June 10, 2015 it paid the total premium due with the understanding that you would remit the down payments paid to you by the insureds.

The conduct described above is evidence of the following violations:

Providing incorrect, misleading, incomplete or materially untrue information in the license application, M.G.L. c. 175 § 162R(a)(1). Such conduct may result in your insurance license being placed on probation, suspended or revoked pursuant to M.G.L. c. 175 § 162R(a), as well as the imposition of a fine up to \$1,000 for each and every violation as provided under M.G.L. c. 176D, § 7.

Improperly withholding, misappropriating and/or converting monies received in the course of doing insurance business, M.G.L. c. 175 § 162R(a)(4). Such conduct may result in your insurance license being placed on probation, suspended or revoked pursuant to M.G.L. c. 175 § 162R(a), as well as the imposition of a fine up to \$1,000 for each and every violation as provided under M.G.L. c. 176D, § 7.

Using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in the commonwealth or elsewhere, M.G.L. c. 175 § 162R(a)(5). Such conduct may result in your insurance license being placed on probation, suspended or revoked pursuant to M.G.L. c. 175 § 162R(a), as well as the imposition of a fine up to \$1,000 for each and every violation as provided under M.G.L. c. 176D, § 7.

The Division is authorized to issue an order requiring you to show cause as to why you should not be made to cease and desist from the above alleged conduct. If, after a public hearing the Commissioner of Insurance finds that you did commit the alleged violations, he may impose a fine up to the amounts listed above and order that your Massachusetts Insurance Producer License be placed on probation, suspended or revoked.

The Division proposes to resolve this matter through a settlement if you agree to waive the right to a public hearing, agree to cease and desist from the above-alleged conduct and agree to pay a **fine of \$1,000**. If you choose to accept the Division's offer, please have an authorized individual sign this settlement letter where provided below and return it to my attention along with a check made payable to the Commonwealth of Massachusetts, no later than **July 25, 2017**.

The Division considers the acceptance of this settlement to constitute a reportable administrative event which should be included on your next Massachusetts producer license renewal application. You also may

be required to report this action in other jurisdictions where you hold an insurance producer license. This Agreement shall be construed under and governed by the laws of the Commonwealth of Massachusetts.

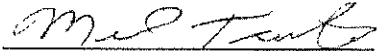
Although this correspondence does not constitute the required statutory notice of a public hearing, if this matter is not resolved by **July 25, 2017**, the Division intends to file its Order to Show Cause and will notify you of the hearing date.

Thank you for your prompt attention to this matter. Should you have any questions or wish to discuss this matter further, I may be reached at (617) 521-7321 or Matthew.Burke@state.ma.us.

Sincerely,

Matthew M. Burke
Counsel to the Commissioner

NAME: Michael Tarantino
Tarantino Insurance Agency, LLC
Tarantino Insurance Agency, Inc.

SIGNATURE: 

TITLE: sole proprietor, sole member, president

DATE: 7/12/17