



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

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UNDERSECRETARY

GARY D. ANDERSON
ACTING COMMISSIONER OF INSURANCE

January 4, 2017

Douglas Tracia
12 Brookbury Circle
Framingham, MA 01701

RE: Douglas Tracia – Massachusetts License No. 1720831
SIU Investigation No. 9353

VIA E-Mail (doug@dfracia.com)

Dear Mr. Tracia:

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 violated the Massachusetts insurance laws set forth below by the conduct detailed in this settlement letter.

This case was opened on November 21, 2016, after the Division discovered that you were disbarred from the practice of law in the Commonwealth by the Supreme Judicial Court for Suffolk County, on or about January 16, 2015. This administrative action was not reported to the Division. On or about July 7, 2016, you submitted an application to renew your Massachusetts resident insurance producer license. On that application you failed to disclose the above referenced administrative action in response to the question concerning whether “you had been named or involved as a party in an administrative proceeding . . . regarding any professional or occupational license or registration, which has not been previously reported to this insurance department.” You certified, under the penalty of perjury, all of the information on the application was true and complete.

On or about May 17, 2007, you were arraigned in the Lawrence District Court on one count of Assault and Battery, in violation of M.G.L. c. 265, § 13A(a); one count of Assault and Battery with a Dangerous Weapon, in violation of M.G.L. c. 265, § 15A(b); and one count of Reckless Endangerment of a Child, in violation of M.G.L. c. 265, § 13L¹. This was not reported to the Division. On or about March 13, 2008, a jury found you guilty of Assault and Battery in connection with docket no. 0718CR003014. This was not reported to the Division. On or about June 10, 2010, and June 11, 2013, you submitted applications to renew your Massachusetts resident insurance producer license. On those applications you

¹ Docket No. 0718CR003014.

failed to disclose the above referenced conviction in response to questions concerning prior convictions². You certified, on both applications, under the penalty of perjury, all of the information on the application[s] was true and complete.

On or about October 14, 2005, D.F. Tracia & Associates Insurance and Financial Solutions Incorporated (“Tracia Insurance”) filed Articles of Organization with the Secretary of the Commonwealth, which provides Douglas F. Tracia as its president, treasurer and director. On or about October 26, 2005, Tracia Insurance applied and was approved for a Massachusetts resident business entity insurance producer license. On or about June 30, 2014, the corporation was involuntarily dissolved by the Secretary of the Commonwealth. This was not reported to the Division. On or about December 1, 2010, the Division terminated Tracia Insurance’s insurance producer license, which remains unlicensed. As a result, Tracia Insurance is not licensed to sell, solicit or negotiate insurance in the Commonwealth or hold itself out as an insurance producer to Massachusetts consumers. On January 4, 2017, Tracia Insurance’s website led the viewer to conclude that it was still in the business of insurance.

The conduct described above is evidence of the following violations:

M.G.L. c. 175, § 162R (a)(1) . . . [t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer’s license or may levy a civil penalty for . . . providing incorrect, misleading, incomplete or materially untrue information in the license application. Additionally, a violation is punishable by a fine up to one thousand dollars. M.G.L. c. 176D, § 7.

M.G.L. c. 175, § 162R (a)(2) . . . [t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer’s license or may levy a civil penalty for . . . violating any insurance laws. Additionally, a violation is punishable by a fine up to one thousand dollars. M.G.L. c. 176D, § 7.

M.G.L. c. 175, § 162R (a)(3) . . . [t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer’s license or may levy a civil penalty for . . . obtaining or attempting to obtain a license through misrepresentation or fraud. Additionally, a violation is punishable by a fine up to one thousand dollars. M.G.L. c. 176D, § 7.

M.G.L. c. 175, § 162R (a)(8) . . . [t]he commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer’s license or may levy a civil penalty for . . . using fraudulent, coercive or dishonest practices in the conduct of business. Additionally, a violation is punishable by a fine up to one thousand dollars. M.G.L. c. 176D, § 7.

M.G.L. c. 175, § 162V (a) . . . [a] producer shall report to the commissioner any administrative action taken against the producer . . . within 30 days of the final disposition of the matter. A violation is punishable by a fine of not more than five hundred dollars. M.G.L. c. 175, § 194.

M.G.L. c. 175, § 162V (b) . . . [a] producer shall report to the commissioner within 30 days of initial pretrial hearing date, and criminal prosecution of the producer. A violation is punishable by a fine of not more than five hundred dollars. M.G.L. c. 175, § 194.

M.G.L. c. 175, § 174 . . . [t]he clerk or other corresponding officer [of the corporation] shall . . . at once notify the commissioner in writing in case of the dissolution of the corporation. Upon

² The 2010 renewal application asked whether “you had been convicted of a crime . . . which ha[d] not been previously reported to this state.” The 2013 renewal application asked whether “you ha[d] been convicted of a felony . . . not previously reported to this insurance department.

receipt of such notice, the commissioner shall forthwith revoke its license without a hearing. Whoever . . . fails to notify the commissioner of the dissolution of the corporation . . . or whoever . . . acts under said license after the dissolution of such corporation, shall be punished by a fine not less than twenty nor more than five hundred dollars.

M.G.L. c. 176D, §2 – No person shall engage in this commonwealth in any trade practice which is defined in this chapter as, or determined pursuant to section six of this chapter to be, an unfair method of competition or an unfair or deceptive act or practice in the business of insurance. A violation is punishable by a fine up to one thousand dollars. 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 **without fines** through a Settlement Agreement if you agree to waive your right to a hearing and agree to the revocation of your Massachusetts insurance producer license. If you choose to accept the Division's offer as set forth in the enclosed Settlement Agreement, please sign where provided and return to my attention by June 9, 2017.

Although this correspondence does not constitute the required statutory notice of a public hearing, if this matter is not resolved by June 9, 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) 521-7471 or Scott.Peary@state.ma.us.

Sincerely,

Scott J. Peary
Chief Enforcement Counsel

Enclosure



CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
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SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between the Commonwealth of Massachusetts, Division of Insurance (“Division”), and Douglas Tracia (“Tracia”) licensed as an insurance producer licensed under the laws of the Commonwealth of Massachusetts (“Commonwealth”) and with a current mailing address of: 12 Brookbury Circle, Framingham, MA 01701.

WHEREAS, Tracia was licensed by the Division as an insurance producer pursuant to M.G.L. c. 175, § 162H *et seq.*;

WHEREAS, an insurance producer licensed in the Commonwealth must uphold the standards in M.G.L. c. 175, § 162H *et seq.* and must comply with the Commonwealth’s insurance laws, including without limitation, those set forth in M.G.L. c. 175 & M.G.L. c. 176D; the Code of Massachusetts Regulations; and any other regulatory requirements; each of which give the Commissioner of Insurance review, approval, and enforcement authority over licensees;

WHEREAS, the Division has conducted an investigation, Special Investigation Number 9353, and contends that the acts and conduct of Tracia as set forth in the Division’s correspondence dated January 4, 2017, a copy of which is attached hereto, constitute grounds for revocation of Tracia’s insurance license and the imposition of fines;

WHEREAS, Tracia neither admits nor denies the facts or violations of law set for in the Division’s correspondence dated January 4, 2017;

WHEREAS, Tracia is aware of his rights to notice and to an administrative hearing with respect to the alleged violations of Massachusetts insurance laws in these matters, and hereby waives those rights.

NOW THEREFORE, in consideration of the foregoing and the covenants, warranties, representations, and agreements contained herein, it is mutually agreed as follows:

1. Tracia agrees to have his Massachusetts insurance producer license permanently revoked by the Division as of December 18, 2017.
2. Tracia agrees and understands that the effective date of this agreement is June 9, 2017.
3. Tracia agrees to immediately cease and desist from the conduct outlined in the Division’s January 4, 2017 correspondence, a copy of which is attached hereto.

4. Tracia shall immediately cease from holding out as being engaged in the business of insurance, as contemplated by M.G.L. c. 175, § 175, any Massachusetts insurance related business entity that does not hold proper licensure issued by the Division.

5. Tracia agrees to pay a monetary penalty in the amount of ten thousand dollars (\$10,000), all of which such monetary penalty shall be suspended until and unless the Division determines, after a hearing, that the terms and conditions of the instant settlement agreement have been violated.

6. Tracia agrees to cease and desist from soliciting new clients beginning June 9, 2017 and lasting until December 18, 2017 – the date that his license will be permanently revoked.

7. Except as expressly set forth in this Agreement, the failure of the Division at any time to require strict performance by Tracia of any terms, provisions, or conditions hereof shall in no way affect the right thereafter to enforce the same, nor shall the waiver by the Division of any breach of any of the terms, provisions, and conditions hereof be construed or deemed a waiver of any succeeding breach of any term, provision, or condition thereof.

8. From the effective date of his revocation (December 18, 2017), Tracia is prohibited from soliciting, aiding in the placement, continuation, or negotiation of insurance policies or taking any action which may lead any person or entity to believe that they are authorized in the Commonwealth to engage in the business of insurance in any capacity, including without limitation, acting as a licensed insurance producer, special insurance broker, public adjuster, insurance advisor, viatical loan provider, viatical broker, viatical settlement broker or viatical settlement provider, or any other licensed insurance professional.

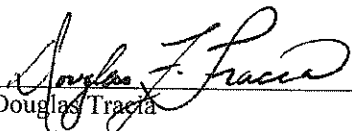
9. From June 9, 2017 to December 18, 2017, Tracia shall dispose of any and all interest (direct and indirect) he may have, including without limitation, as proprietor, partner, stockholder, officer, director, employee, consultant, or independent contractor of any insurance related business interest that he may hold in the Commonwealth.

10. From the effective date of his revocation (December 18, 2017), Tracia is prohibited from owning, managing, directing or being an employee, consultant or an independent contractor, partner, director or officer, paid or unpaid, of any insurance related business in the Commonwealth.


11. In the event that the Division finds that there has been a breach of any provision of this Agreement, the Division may, in its discretion, pursue any and all legal remedies permitted by the Massachusetts insurance laws as well as any other appropriate law of the Commonwealth.

12. The provisions of this Agreement may be amended, modified, or expanded solely in writing by joint consent of the Division and Tracia.

SIGNED:



Douglas Tracia



Scott J. Peary | Chief Enforcement Counsel
Commonwealth of Massachusetts
Division of Insurance

Dated: 06-09-2017 (EFFECTIVE DATE)
06-08-2017 (SCANNED DATE)

Dated: May 24, 2017