

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

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CHARLES D. BAKER  
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SECRETARY OF HOUSING AND  
ECONOMIC DEVELOPMENT

JOHN C. CHAPMAN  
UNDERSECRETARY

GARY D. ANDERSON  
ACTING COMMISSIONER OF INSURANCE

April 20, 2017

Stephen LaRose  
Nixon Peabody LLP  
100 Summer Street  
Boston, MA 02110

RE: Roger Zullo – Massachusetts License No. 1739224  
SIU Investigation No. 9368

*VIA E-MAIL (slarose@nixonpeabody.com)*

Dear Mr. LaRose:

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 your client, Roger Zullo, violated the Massachusetts insurance laws set forth below by the conduct detailed in this settlement letter.

This case was opened on December 8, 2016, after the Division became aware of an administrative action against Mr. Zullo, initiated by Securities Division of the Office of the Secretary of the Commonwealth – docket no. E-2016-0039. The Securities Division alleged:

From January 1, 2013 to present, Mr. Zullo, as an LPL Advisor, failed to properly advise clients, failed to report information to his supervisors, and submitted erroneous client financial suitability profiles, allegedly to enrich himself by selling what some would describe as unsuitable, illiquid, and high-commission variable annuities. In doing so, the Securities Division alleged that Mr. Zullo unnecessarily and prematurely switched out his clients’ existing annuities, caused unnecessary surrender charges, and disregarded his clients’ life circumstances, age, access to emergency funds, income needs, and liquid net worth.

The conduct described above, if true, is evidence of the following violations:

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.

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.

211 CMR 96.06 (1) . . . [i]n recommending to a consumer the purchase of an annuity or the exchange of an annuity that results in another insurance transaction or series of transactions, the insurance producer . . . Shall have reasonable grounds for believing that the recommendation is suitable for the consumer on the basis of facts disclosed by the consumer as to his or her investments and other insurance products and as to his or her financial situation and needs. In addition to any other penalties provided by the laws of Massachusetts, an insurance producer that violates 211 CMR 96.00 shall be deemed to be in violation of the provisions of M.G.L. c. 176D, and is punishable by a fine up to one thousand dollars per violation. 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.

The Division is authorized to issue an order requiring Mr. Zullo to show cause as to why he should not be made to cease and desist from the above alleged conduct. If, after a public hearing, the Commissioner of Insurance finds that Mr. Zullo 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 Mr. Zullo agrees to waive his right to a hearing and agree to the permanent revocation of his Massachusetts insurance producer license. If he chooses to accept the Division's offer as set forth in the enclosed Settlement Agreement, please have him sign where provided and return to my attention by **May 1, 2017**.

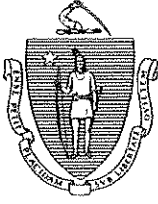
Although this correspondence does not constitute the required statutory notice of a public hearing, if this matter is not resolved by **May 1, 2017**, the Division intends to file its Order to Show Cause and will notify Mr. Zullo of the hearing date.

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



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**SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is made by and between the Commonwealth of Massachusetts, Division of Insurance (“Division”), and Roger Zullo (“Zullo”) licensed as an insurance producer licensed under the laws of the Commonwealth of Massachusetts (“Commonwealth”) and with a current mailing address of: 20 William Street Suite 620 Wellesley, MA 02471.

WHEREAS, Zullo 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 9368, and contends that the acts and conduct of Zullo as set forth in the Division’s correspondence dated April 20, 2017, a copy of which is attached hereto, constitute grounds for revocation of Zullo’s insurance license and the imposition of fines;

WHEREAS, Zullo 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.

WHEREAS, Zullo neither admits nor denies the facts or violations of law set forth in the Division’s correspondence dated April 20, 2017.

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

1. Zullo agrees to have his Massachusetts insurance producer license permanently revoked by the Division.
2. Zullo agrees to immediately cease and desist from the conduct outlined in the Division’s April 20, 2017 correspondence, a copy of which is attached hereto.

3. Except as expressly set forth in this Agreement, the failure of the Division at any time to require strict performance by Zullo 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.

4. From the effective date of this Agreement, Zullo 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 he is 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.

5. Within thirty (30) days from the effective date of this Agreement, Zullo 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.

6. From the effective date of this Agreement, Zullo is prohibited from owning, managing, directing or being a partner, director or officer, paid or unpaid, of any insurance related business in the Commonwealth.

7. The Division agrees that this matter is now final, and that the Division shall issue no further action, or impose any fines or financial obligations, concerning this matter.

8. 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.

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

SIGNED:

Roger Zullo

Dated:

May 3, 2017

Commonwealth of Massachusetts  
Division of Insurance  
Scott Peary  
Chief Enforcement Counsel

Dated: May 1, 2017