

IN THE MATTER OF THE
MARYLAND INSURANCE
ADMINISTRATION

v.

JUAN CARLOS MARTINEZ
DBA SWIFT VAN LINES, LLC
(FORMERLY, REVOLUTION MOVING
AND
STORAGE, LLC)
10317 Geranium Avenue
Hyattsville, MD 20783

BEFORE THE MARYLAND
INSURANCE COMMISSIONER

CASE NO. : MIA-2016-04-012

Fraud Division File No.: R-2016-0214A

ORDER

This Order is entered by the Maryland Insurance Administration (“MIA”) against Juan Carlos Martinez owner of Swift Van Lines, LLC formerly, Revolution Moving and Storage, LLC (“Respondent”) pursuant to §§ 2-108 and 2-204 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.) (“the Insurance Article”).

I. Facts

1. A “certificate of insurance” (“COI”) is a document that is prepared and provided by an insurer or insurance producer as evidence of property or casualty insurance coverage. Insurance Article § 19-116(a)(3)(i). Section 19-116(g) of the Insurance Article states “a person may not prepare or issue a certificate of insurance that the person knows contains false or misleading information or that purports to amend, alter, or extend the coverage provided by the policy of insurance referenced in the certificate.”

2. The COI is an important document in that it serves as evidence to customers, contractors or other third parties that the business has obtained insurance. The COI indicates that

the business or individual named as the insured has the financial resources available to protect those who may come to harm through the insured's negligence.

3. Respondent is the owner of Revolution Moving and Storage, LLC ("Revolution"), located at 10317 Geranium Avenue Hyattsville, Maryland 20783. Revolution's website stated the company is licensed, bonded, and insured.

4. On July 9, 2015, Community Wireless Structures ("Community"), contacted Revolution through Thumbtack.com ("Thumbtack"), a local services matching company to move commercial office furniture. Community spoke to a representative of Revolution identified as John M. Community requested that Revolution provide a COI as proof of liability insurance prior to performing the office move.

5. Revolution e-mailed Community a COI from revoltionmoving20783@gmail.com. The COI reflected that Revolution had active general liability, automobile and cargo insurance. The insurers were identified as Tri-State General Ins., Atlantic Casualty Insurance Co., and Great American Ins. Co. The producer listed on the COI was BES & Associates, Inc., Insurance Agency ("BES").

6. Community contacted BES to validate the COI. BES examined the COI and advised Community it was fraudulent. BES stated it never produced a policy for Respondent, and the contact person listed on the COI is not associated with BES.

7. Section 27-802(a)(1) of the Maryland Insurance Article states, "An authorized insurer, its employees, fund producers, or insurance producers, ... who in good faith has cause to believe that insurance fraud has been or is being committed shall report the suspected insurance fraud in writing to the Commissioner, the Fraud Division, or the appropriate federal, State, or

local law enforcement authorities.” BES, having a good faith belief that Respondent committed insurance fraud, referred the matter to the Maryland Insurance Administration, Fraud Division.

8. MIA queried the Maryland Department of Assessments and Taxation business entity information and verified Revolution is an active business. The resident agent is listed as Juan Carlos and the principal office is 10317 Geranium Avenue Hyattsville, MD.

9. During the course of its investigation, MIA contacted the owner of BES. She examined the aforementioned COI and advised the font on the certificate is different than a valid COI, the business address on the COI had the wrong street number, the contact name listed on the COI is not known to BES, and BES has never done business with Revolution.

10. MIA interviewed the representative from Community who advised he spoke to the John M. of Revolution via telephone as well as by e-mail in reference to moving services. The representative contacted BES and confirmed the COI was altered.

11. MIA issued a subpoena to Thumbtack for the Revolution account information. Thumbtack advised the user’s e-mail was revolutionmoving20783@gmail.com, and the user was identified as John M. The listed telephone number was (240) 528-0151.

12. MIA sent an e-mail to revolutionmoving20783@gmail.com regarding the investigation, and consequently received a call from (240) 528-0151, Respondent.

13. MIA interviewed Respondent and he acknowledged he is the owner of and resident agent of Revolution. Respondent advised he has access to the e-mail account used to forward the COI. He confirmed he is the subscriber for phone number (240) 528-0151. He admitted he uses John M. as an alias. Revolution’s website stated the company is licensed, bonded, and insured. MIA asked whether Revolution was insured and Respondent advised it has never been insured since its creation on November 19, 2013, and the website is incorrect.

II. Violation(s)

14. In addition to all relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Respondent violated Maryland's insurance laws:

15. **§ 19-116(g)**

A person may not prepare or issue a certificate of insurance that the person knows contains false or misleading information or that purports to amend, alter, or extend the coverage provided by the policy of insurance referenced in the certificate.

16. **§ 27-406(5)**

It is a fraudulent insurance act for a person:

(5) with intent to deceive, knowingly to exhibit a false account, document, or advertisement about the affairs of an insurer.

17. **§ 27-408(c)**

(1) In addition to any criminal penalties that may be imposed under this section, on a showing by clear and convincing evidence that a violation of this subtitle has occurred, the Commissioner may:

(i) impose an administrative penalty not exceeding \$25,000 for each act of insurance fraud; and

* * * * *

(2) In determining the amount of an administrative penalty, the Commissioner shall consider:

- (i) the nature, circumstances, extent, gravity, and number of violations;
- (ii) the degree of culpability of the violator;
- (iii) prior offenses and repeated violations of the violator; and
- (iv) any other matter that the Commissioner considers appropriate and relevant.

18. By the conduct described herein, Respondent knowingly violated § 19-116(g) and § 27-406(5). As such, Respondent is subject to an administrative penalty under the Insurance Article § 27-408(c).

III. Sanctions

19. Respondent submitted a fraudulent COI to obtain payment for moving services. Having considered the factors set forth in § 27-408(c)(2) and COMAR 31.02.04.02, MIA has determined that \$7,500.00 is an appropriate penalty.

20. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number (R-2016-0214A) and name, (Juan C. Martinez). Unpaid penalties will be referred to the Central Collections Unit for collection. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Insurance Fraud Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202.

21. Effective the date of this Order, Respondent shall remove from www.movingcompanysilverspring.com and any other sites on the Internet any mention that Revolution Moving and Storage, LLC is insured.

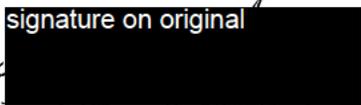
22. Respondent is directed to provide an affirmation to the MIA no later than 10 days from the date of this Order that he intends to comply with this Order by obtaining and providing proof of insurance or removing references to Revolution being insured. This affirmation shall be sent to Nancy Grodin, Deputy Commissioner, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202, and shall reflect the case number captioned at the beginning of this Order.

23. This Order does not preclude any potential or pending action by any other person, entity or government authority, regarding any conduct by Respondent including the conduct that is the subject of this Order.

WHEREFORE, for the reasons set forth above, and subject to the right to request a hearing, it is this 14th day of April 2016, **ORDERED** that:

(1) Juan C. Martinez, owner of Revolution Moving and Storage, LLC pay an administrative penalty of \$7,500.00 within 30 days of the date of this Order.

ALFRED W. REDMER, JR.
Insurance Commissioner

signature on original


BY:


NANCY GRODIN
Deputy Commissioner
Insurance Fraud Division

RIGHT TO REQUEST A HEARING

Pursuant to § 2-210 of the Insurance Article and Code of Maryland Regulations (“COMAR”) 31.02.01.03, an aggrieved person may request a hearing on this Order. This request must be in writing and received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order. However, pursuant to § 2-212 of the Article, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is issued. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Hearings and Appeals Coordinator. The request shall include the following information: (1) the action or non-action of the Commissioner causing the person requesting the hearing to be aggrieved; (2) the facts related to the incident or incidents about which the person requests the Commissioner to act or not act; and (3) the ultimate relief requested. The failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be final on its effective date. Please note that if a hearing is requested on this initial Order, the Commissioner may affirm, modify, or nullify an action taken or impose any penalty or remedy authorized by the Insurance Article against Respondent in a Final Order after hearing.