



NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
ONE STATE STREET PLAZA
NEW YORK, NEW YORK 10004

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In the Matter of the Applications of

JONATHAN LI,

Applicant.

**SUPERSEDING NOTICE OF HEARING
VIDEOCONFERENCE HEARING**

Docket Number: 2023-0017-L

Event Number: 161 671 7851

Event Password: smJjepr786

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TO THE APPLICANT:

PLEASE TAKE NOTICE THAT, pursuant to your requests, a Hearing will be conducted by the New York State Department of Financial Services (“Department”), on the 26th day of November, 2024, at 10:00 a.m., to review the determinations denying: (1) your application for a license to act as a broker pursuant to Section 2104 of the Insurance Law, (2) your application for a license to act as an agent pursuant to Section 2103(b) of the Insurance Law, (3) your application for a license to act as a life broker pursuant to Section 2104(b)(1)(a) of the Insurance Law, and (4) your application for a license to act as an agent pursuant to Section 2103(a) of the Insurance Law. The Hearing will be held via videoconference, via Webex. **The Event Number for this Hearing is 161 671 7851, and the Event Password is smJjepr786.**

Pursuant to the First Amendment to Part 2 of Title 23 of the Official Compilation of Codes, Rules and Regulations of the State of New York (23 NYCRR §2.19), you may object to having the Hearing conducted via videoconference by sending a written notice of the objection to the hearing officer by first class mail or overnight mail to Videoconference Coordinator, Office of General Counsel, New York State Department of Financial Services, One State Street, New York, NY 10004, or via electronic mail to VideoHearings@dfs.ny.gov. The written notice of objection must be received at least

five business days before the date set for the hearing. A copy of 23 NYCRR §2.19 is attached to this Superseding Notice of Hearing.

You are instructed to go to the Department's website, at https://www.dfs.ny.gov/reports_and_publications/public_hearings to learn how the hearing will be conducted and what you will need to do in order to appear at your Videoconference Hearing. **At least 48 hours prior to your hearing, you will need to conduct a test to ensure that you can connect to the Videoconference Hearing. Instructions for testing can be found at** https://www.dfs.ny.gov/reports_and_publications/public_hearings.

If you wish to introduce any documents at the Hearing, you must email them at least 24 hours prior to the start of the Hearing to VideoHearings@dfs.ny.gov, and include a brief description of each document and your Event Number. You may also request disclosure of the evidence that the Department will introduce at the Hearing by sending an email to VideoHearings@dfs.ny.gov. Include your name, the date of the Hearing, and your Event Number. The documents will be sent to you via email no later than 7 days prior to the Hearing.

If you have any questions with regard to connecting or are unable to connect to your Videoconference Hearing, call the Department Help Desk at 212-709-7777 or email ServiceDesk@dfs.ny.gov.

The denial of your applications should be upheld on the grounds that you have demonstrated untrustworthiness and/or incompetence to act as an insurance producer based on the following:

1. On or about August 26, 2021, you and J & J Coverage LLC, submitted two payment authorization forms, authorizing electronic payments in the amounts of \$21,610.00 and \$4,218.47, to David J. Louie Inc., an insurance broker. The forms purported to transmit insurance premiums on behalf of Jin An Inc. The two payments were dishonored by the bank upon which they were drawn due to insufficient funds, and the payments have not been replaced.

2. On or about September 17, 2021, you and J & J Coverage LLC submitted a payment authorization form, authorizing an electronic payment in the amount of \$21,640.30 to David J. Louie Inc., an insurance broker. The form purported to transmit insurance premiums on behalf of Jin An Inc. The payment was dishonored by the bank upon which it was drawn due to insufficient funds, and the payment has not been replaced.

3. During the approximate period January 2021 through November 2021, you violated Regulation 29 (11 NYCRR § 20.3(b)(1)) in that you and J & J Coverage LLC, received funds in a fiduciary capacity and deposited such funds into a bank account that was not appropriately identified as a premium account.

4. During the approximate period January 2021 through September 2021, you violated Section 2120(a) of the Insurance Law, in that you and J & J Coverage LLC, commingled insurance premium funds received as an insurance agent or an insurance broker, with the funds of J & J Coverage LLC.

5. During the approximate period January 2021 through November 2021, you violated Regulation 29 (11 NYCRR §20.3(b)(4)) in that you and J & J Coverage LLC made withdrawals from an unidentified premium account that resulted in negative balances.

6. In connection with the Department's investigation of the matters set forth in paragraphs 1, 2, 3, 4, and 5 of this Superseding Notice of Hearing, the Department sent you investigatory letters dated October 21, 2021, November 18, 2021, December 13, 2021, December 23, 2021, June 30, 2022, August 3, 2022, and October 26, 2022. You failed to respond to the Department's letters dated October 21, 2021, November 18, 2021, June 30, 2022, August 3, 2022, and October 26, 2022, and failed to fully respond to the Department's letters dated December 13, 2021 and December 23, 2021, thereby hampering and impeding the Department's investigation.

7. On or about August 25, 2021, you and J & J Coverage LLC, received two insurance premium payments totaling \$44,400.00 on behalf of the insured, Jin An Inc., and deposited the premium payments into an account in the name of J & J Coverage Inc. that was not identified as a premium account. You and/or J & J Coverage LLC failed to remit the insurance premium payments to the insurer or to an agent for the insurer, and failed to properly account for such premium payments.

8. You violated Regulation 29 (11 NYCRR §20.3(b)(4)) in that during the approximate period August 26, 2021 through September 2, 2021, you and J & J Coverage LLC made withdrawals from the premium account referenced in paragraph 7 above that resulted in the balance remaining in the premium account being less than aggregate net premiums received but not remitted. The withdrawals totaled \$44,480.00.

9. On or about December 22, 2021, in response to the Department's investigatory letter dated December 13, 2021, you provided a written response that contained false and/or inaccurate information in that the written response failed to disclose two insurance premium payments totaling \$44,400.00 that you and J & J Coverage LLC received on behalf of Jin An Inc. on or about August 25, 2021, and stated that insurance policies that were issued to Jin An Inc. had been canceled, without disclosing that the same insurance policies had been re-instated without lapse in coverage.

10. Such other and further evidence relevant to your qualifications and fitness for the licenses sought as may be presented at the hearing.

PLEASE TAKE FURTHER NOTICE that the Hearing is being held pursuant to Sections 304-a, 305, and 306 of the Financial Services Law and that notice thereof is being given to you in accordance with Section 304 of the Financial Services Law. Your attention is directed to a statement in plain language, attached hereto, entitled

"Summary of Hearing Procedures," summarizing the provisions of Title 23, Part 2 of the Official Compilation of Codes, Rules and Regulations of the State of New York (23 NYCRR 2). This statement contains important information concerning your rights and the Department's hearing procedures and should be read carefully. A copy of 23 NYCRR §2.19 is attached hereto; a copy of the balance of 23 NYCRR 2 will be furnished upon request. Should you fail to appear at the Department's Virtual Hearing Center at the time fixed for the online virtual hearing, or any adjourned date thereof, your request for a hearing will be deemed withdrawn, and the denial of your applications will be upheld.

Dated: New York, NY
September 27, 2024

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By: Michael S. Formichelli
Michael S. Formichelli
Associate Attorney
(212) 480-5250

BY CERTIFIED MAIL AND REGULAR MAIL:

Jonathan Li

[REDACTED]

BY EMAIL: [REDACTED].com
[REDACTED].net



NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
ONE STATE STREET
NEW YORK, NEW YORK 10004

SUMMARY OF HEARING PROCEDURES

(Summary of Hearing Procedures for Adjudicatory Proceedings Before the Department of Financial Services as Set Forth in Title 23, Part 2 of the Official Compilation of Codes, Rules and Regulations of the State of New York (23 NYCRR 2), and as Required by Section 301(3) of the State Administrative Procedure Act)

1. The Hearing will be conducted and administered in compliance with the State Administrative Procedure Act and the Financial Services Law, and will be held before an impartial hearing officer who will make a Report of findings, conclusions, and recommendations to the Superintendent or the Superintendent's designee.
2. You must be ready, and prepared with your evidence, to present your case on the hearing date.
3. You may be represented by an attorney at the hearing.
4. Interpreter services shall be available for deaf persons, upon advance request, at no charge. Such request should be made as soon as possible by contacting the Department attorney who signed the Citation/Notice of Hearing.
5. You may file a written answer to the Citation/Notice of Hearing. If you do so, it should be delivered at least two days before the hearing date to the Department attorney who signed the Citation/Notice of Hearing. You will have a full opportunity at the hearing to dispute or explain any charges made against you in the Citation/Notice of Hearing whether or not you file an answer.
6. You may present evidence and have witnesses testify at the hearing. If you believe a Witness will not appear voluntarily and you do not have an attorney representing you, you may request the hearing officer to furnish you with a subpoena to compel the witness' attendance. If the hearing officer issues the subpoena, the service of the subpoena upon the witness and payment of all required fees is your responsibility.
7. You may request a hearing officer's report and an opportunity to comment on it in writing before the Superintendent acts on the report. The request must be made to the hearing officer on the record prior to the close of the hearing.
8. Prior to the commencement, a hearing may be postponed upon your request upon a written application to the Department official who issued the Citation/Notice of Hearing. The application may be granted upon a showing of good cause at the discretion of the Department official who issued the Citation/Notice of Hearing.
9. A hearing in progress may be adjourned by the hearing officer at your request for good cause shown or upon consent of all parties. If you request that a hearing in progress be adjourned for good cause shown,

you must present documentary evidence as the hearing officer deems appropriate. The factors to be considered in determining good cause shown include but are not limited to the illness of a party, witness or attorney, the temporary absence of a witness, the opportunity to obtain an attorney, the actual engagement of an attorney in a court proceeding, and the number and nature of previous requests for adjournment.

10. If you do not appear at a hearing requested upon the denial of an application for license, your request for a hearing will be deemed withdrawn.
11. If you do not appear or are not represented at the hearing on a Citation, the hearing will take place as scheduled and a decision on the charges will be made. The decision may result in the revocation or suspension of your licenses and the denial of any pending applications, and such other action as may be permitted by law, including the imposition of monetary fines.
12. If you do not appear at a hearing, the hearing may be reopened upon a written application, if you satisfy the hearing officer that there are valid reasons for your failure to appear or your failure to request an adjournment or postponement and you have a meritorious case. If you do appear at the hearing, the hearing may be reopened on written request to the hearing officer if you can show newly discovered evidence or other compelling reason for such reopening. The application to reopen must be made within one hundred twenty (120) days from the effective date of the Superintendent's or the Superintendent's designee's decision.
13. Once a decision is made against you, you may, if you wish, take an appeal to the courts. This appeal must be made within four months from the date the decision was effective. It should be emphasized that your right to take an appeal is not connected in any way with your right to reopen the hearing as described in paragraph 12 and an application to reopen does not extend your time to take an appeal to the courts.

**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
FIRST AMENDMENT TO 23 NYCRR 2**

**RULES GOVERNING THE PROCEDURES FOR ADJUDICATORY PROCEEDINGS
BEFORE THE DEPARTMENT OF FINANCIAL SERVICES**

I, Adrienne A. Harris, Superintendent of Financial Services of the State of New York, pursuant to the authority granted by Sections 102, 201, 202, 302 and 305 of the Financial Services Law and Section 301 of the State Administrative Procedure Act, do hereby promulgate the First Amendment to Part 2 of Title 23 of the Official Compilation of Codes, Rules and Regulations of the State of New York, to take effect upon the publication of the Notice of Adoption in the State Register, to read as follows:

(ALL MATTER IS NEW)

Section 2.19 is added to read as follows:

§ 2.19 Hearings conducted by videoconference.

(a) A hearing shall be conducted by videoconference, unless a hearing officer determines at the hearing officer's discretion, or upon a finding of good cause based upon an application submitted in accordance with subdivision (b) of this section, to conduct a hearing where all or some of the parties, witnesses, and the hearing officer are physically present at the same location. When a hearing is conducted by videoconference, the parties, witnesses, and the hearing officer do not need to be physically present at the same location.

(b) A party may object to a hearing being conducted by videoconference by sending a written notice of the objection to the hearing officer by first class mail, overnight mail, or electronic mail to an address designated by the Department and posted on the Department's website. The written notice of objection must be received by the hearing officer within five calendar days prior to the return date set forth in the notice of action or proposed action that was served or issued by a party as provided in Financial Services Law section 304.

(c) The hearing officer may determine not to conduct a hearing or any portion thereof, or not to have a party or witness testify, by videoconference upon a finding that a timely written objection to conducting a hearing pursuant to this Part by videoconference submitted in accordance with subdivision (b) of this section establishes that:

(1) a party's due process rights would be best served by all or some of the parties and witnesses, and the hearing officer being physically present at the same location;
or

(2) circumstances render a hearing, or a portion thereof, conducted pursuant to this Part by videoconference impractical.

(d) All provisions of this Part that are not inconsistent with the specific provisions of this section shall apply to hearings conducted by videoconference. For purposes of section 2.14(b) of this Part, the term *hearing room* shall mean videoconference when a hearing is conducted by videoconference.



KATHY HOCHUL
Governor

ADRIENNE A. HARRIS
Superintendent

CERTIFICATION

I, Adrienne A. Harris, Superintendent of Financial Services, do hereby certify that the foregoing is the First Amendment to Part 2 of Title 23 of the Official Compilation of Codes, Rules and Regulations of the State of New York, signed by me on June 7, 2022, pursuant to the authority granted by Financial Services Law Sections 102, 201, 202, 302, and 305 and State Administrative Procedure Act Section 301, to take effect upon publication of the Notice of Adoption in the State Register.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed rule was published in the New York State Register on April 6, 2022. No other publication or prior notice is required by statute.

/s/ Adrienne A. Harris

Adrienne A. Harris
Superintendent of Financial Services

Dated: June 7, 2022