

**STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
1511 PONTIAC AVENUE, BUILDING 69-2
CRANSTON, RHODE ISLAND 02920**

IN THE MATTER OF:

MATTHEW T. MARDEN

RESPONDENT.

**DBR No.: 2022-IN-001;
&
NPN No.: 16905392**

**EMERGENCY ORDER SUSPENDING INSURANCE PRODUCER LICENSE;
ORDER TO SHOW CAUSE: WHY AN ORDER SHOULD NOT ISSUE
TO REVOKE INSURANCE PRODUCER LICENSE;
NOTICE OF HEARING AND APPOINTMENT OF HEARING OFFICER**

The Director (Director) of the Rhode Island Department of Business Regulation (Department) hereby issues this Emergency Order summarily suspending the insurance producer license of Matthew T. Marden (Respondent). The Director issues this Emergency Order, Order to Show Cause, Notice of Hearing and Appointment of Hearing Officer (Emergency Order) pursuant to R.I. Gen. Laws §42-35-1 et seq. to provide interested parties with Notice of an administrative hearing in connection with information the Department has received against the Respondent. Respondent Marden is Ordered to attend a Pre-Hearing Conference on March 4, 2022 at 10:00 a.m. as detailed below. The Director issues the Emergency order for the following reasons.

EMERGENCY FINDING

1. Based on the facts below, the Director finds that the Respondent presents a threat to the public welfare were he to continue holding an insurance producer license. Respondent's insurance producer license was obtained through dishonest statements, he failed to notify the Department of another state's action against his license, and he was

dishonest with the Department in response to questions. As such, this emergency suspension is in the public's best interest.

FACTS SUPPORTING THIS ORDER

2. Respondent currently holds a Rhode Island resident insurance producer license (License# 2319426, NPN#16905392) with a current expiration date of March 31, 2023.
3. This Order is being issued because:
 - a. Respondent failed to timely report an action taken by the state of New Hampshire against an insurance license Respondent held in that state, depriving the Department of an opportunity to investigate Respondent's behavior;
 - b. When the Department became aware of the other state's action, a subsequent investigation uncovered that Respondent admitted during sworn testimony to the Massachusetts Attorney General that he conducted fraudulent business practices for several years on Massachusetts consumers, and trained others in those practices;
 - c. Contrary to the residency information Respondent submitted to the Department, Respondent does not actually live in Rhode Island; and
 - d. The Department has confirmed that Respondent has produced at least one Rhode Island insurance policy in the last twelve months and has reason to believe he is currently marketing final expense insurance products to seniors over the phone and in zoom calls.

New Hampshire Order

4. On April 19, 2021, the State of New Hampshire Insurance Department issued a 32 paragraph Order to Show Cause with numerous allegations against Respondent related to dishonest and fraudulent acts Respondent had performed while a New Hampshire resident insurance producer.
5. At the time that Order to Show Cause was issued, Respondent held a non-resident insurance producer license with the Department. His obligation would have been to

report the administrative action to the Department within thirty (30) days of the final disposition of the matter and to disclose it on any subsequent renewal applications.

6. On May 21, 2021, Respondent executed a Consent Order (NH Order) with the New Hampshire Department of Insurance (New Hampshire) to resolve an enforcement action brought by New Hampshire finding the Respondent:

- a. violated New Hampshire law by providing incorrect, misleading, incomplete or materially incorrect information in his 2018 producer license application stating a New Hampshire residence when Respondent was living in Massachusetts; and
- b. violated New Hampshire law by providing incorrect, misleading, incomplete or materially incorrect information in his 2020 producer license renewal application stating a New Hampshire residence when Respondent was living in Massachusetts.

7. The terms of the NH Order required Respondent to:

- a. Voluntarily relinquish his New Hampshire producer license;
- b. Not apply for a New Hampshire resident or non-resident license within ten (10) years; and
- c. Respond “Yes” to any question in relation to any insurance producer license application in any jurisdiction which asks “have you ever been named or involved as party in an administrative proceeding” or any substantially similar question.

8. As a non-resident insurance producer licensee, Respondent was then obliged to notify the Department, and any other state insurance department that licensed him, within thirty (30) days of his signing the NH Order, i.e. by June 20, 2021, either by uploading the NH Order to the NIPR licensing “attachment warehouse” database, or by emailing the NH Order to the Department.

9. Respondent failed to notify the Department either by uploading the NH Order to the NIPR licensing “attachment warehouse” database, or by mailing or emailing the Department, within 30 days, i.e. by June 20, 2021, as required by law.

10. In February 2022 when asked by the Department, Respondent stated that he “was unaware of the requirement to send it to each state department of insurance.” Yet Respondent offered evidence that on September 7, 2021 he did report the NH Order to numerous states, none of which included Rhode Island. But Respondent explained that he overlooked sending the NH Order to Rhode Island.

11. September 7, 2021 is one hundred and nine (109) days after May 21, 2021, the date that Respondent executed the NH Order. So even though he reported the action to other states, it was only reported well beyond the thirty-day requirement.

12. As of the date of this Emergency Order, Respondent has not uploaded the NH Order into the NIPR licensing “attachment warehouse” database.

13. The Respondent failed to provide the Department with notification of a revocation of license by the State of New Hampshire, depriving the Department of critical information relevant to the character and fitness of Respondent to hold a professional license in Rhode Island.

Rhode Island Residency

14. On May 25, 2021, Respondent emailed the Department explaining that he “would like RI to become my resident state. My current address is [REDACTED], Woonsocket, RI 02895.”

15. Since the Respondent had failed to inform the Department of the NH Order he signed four days earlier, Rhode Island had no reason to object and converted Respondent’s license from a non-resident insurance producer license to a resident insurance producer license that same day, May 25, 2021.

16. In January 2022, the Department became aware of the NH Order, and in response, it began an investigation into Respondent.

17. During that investigation, the Department asked Respondent for proof that he moved to Rhode Island. In response to that, upon information and belief, Respondent provided to the Department false information related to his residence at a Rhode Island address that would have qualified him to convert his Rhode Island non-resident insurance producer license to a Rhode Island resident insurance producer license.

18. When asked for proof of his address, Respondent provided a United States Postal Service change-of-address order with an effective date of July 26, 2021. The order includes a red warning message advising “We are unable to process your Change-of-Address at this time because it is still being processed. Please come back after 72 hours.”

19. The Department was unsatisfied with the change of address form, and asked Respondent follow-up questions for other evidence of residence, first for a “RI driver’s license or other RI state issued ID.”

20. Respondent identified that he did not have a RI state issued identification.

21. Then on February 1, 2022, the Department asked for “a lease, utility bill or letter of appointment from an insurance company” with the alleged Woonsocket RI residence address.

22. Respondent responded with an insurance company appointment letter issued on February 1, 2022.

23. On February 3, 2022, a Department employee went to and physically checked the Woonsocket address listed by Respondent and found that while there are numerous labels on mailboxes at that address, there was not a mailbox labeled with Respondent’s name.

24. The Department employee then contacted the owner of record of the Woonsocket property. During that conversation, the owner explained that he did not know the Respondent, that he knows all of his tenants, and that Respondent is not a resident at the property located at [REDACTED] in Woonsocket.

25. In the NH Order, Respondent admitted a number of alternative addresses at various times. On various dates in February, 2022, the Department reviewed publicly available tax roll records of the City of Marlborough, Massachusetts with respect to a Marlborough address where the Department believes the Respondent currently resides. In the City's 2022 tax rolls, the Department identified Respondent as having an address at [REDACTED], Marlborough, MA 01752.

26. The Department then cross-checked the Middlesex County land records, and identified a Deed, Mortgage and Declaration of Homestead executed by Respondent and filed on August 13, 2020, as well as other trust related documents also filed in 2020, identifying that Respondent was a resident of Marlborough, Massachusetts.

27. On information and belief, contrary to Respondent's representations to the Department, Respondent did not reside at the Woonsocket address when he initially contacted the Department on May 25, 2021, or when the Respondent reaffirmed that address on February 1, 2022.

Commonwealth of Massachusetts Civil Litigation

28. After learning of the NH Order in January 2022, the Department discovered a civil complaint filed by the Massachusetts Attorney General against HealthMarkets, Inc. The Chesapeake Life Insurance Company and HealthMarkets Insurance Agency, Inc. (the

“Mega Complaint”).¹ That civil contempt action was filed on December 8, 2020, and includes numerous paragraphs referring to testimony given by Respondent during the Massachusetts investigation of that case.

29. The Mega Complaint included the following relevant facts:
 - a. “Chesapeake has received 135 complaints from Massachusetts residents relating to sales of Chesapeake supplemental health insurance to them by Mr. Marden, and over 80% (114) of those complaints were Unaware of coverage complaints;” Mega Complaint, page 116, para. 525;
 - b. Allegations of at least two Massachusetts consumers who complained after Marden sold them disability insurance while the consumer was “unemployed and, therefore, ineligible for payment under the policy.” Mega Complaint, Page 117, para. 527; and
 - c. That Respondent (and others) “understood that they were not appointed with any carrier issuing supplemental health insurance in Massachusetts other than Chesapeake.” Mega Complaint, page 27-28, para. 108.
30. As part of the Department’s investigation, it requested documents from the Massachusetts Attorney General. The Department reviewed those documents, which include 79 pages of testimony from a 205-page confidential deposition transcript given by Respondent pursuant to a Massachusetts Civil Investigatory Demand. The Department believes that Respondent’s testimony admitting numerous bad acts serves as key evidence supporting that case.
31. In that sworn deposition, Respondent stated that he:
 - a. employed misleading practices to enroll individuals into plans sponsored by the defendant insurers;
 - b. trained other representatives to follow the same misleading practices; and

¹ Available online at <https://www.mass.gov/doc/health-markets-complaint/download>

- c. obscured the true cost of the insurance products he was selling.
32. During its investigation, the Department asked Respondent about consumer complaints attributed to him in the complaint with the following question:
- a. “It was alleged that Chesapeake Life had “135 complaints from Massachusetts residents relating to sales of Chesapeake supplemental health insurance to them by Mr. Marden, and over 80% (114) of those complaints were unaware of coverage complaints.” Please address how 135 consumers came to complain about your sales practices.”

In response to that question, on February 1, 2022 Respondent stated:

- b. “Chesapeake has not submitted proof of these complaints so I am not aware of the truth behind the statement collected on the Commonwealth of Massachusetts vs. The Chesapeake Life Insurance Company. Nevertheless, the first company that trained me to sell health insurance policies was Simpson Financial Group (SFG). Unfortunately Louis Simpson, president of SFG, had a history of poor sales practices to which he used to train me. With no insurance background, I took Mr. Simpson at his word that the practices were compliant. I learned much more about compliance procedures after my time at SFG and have not had a single complaint of similar nature since my departure from SFG in 2017.”
33. The Department believes that this response served as an admission of wrongdoing, much as Respondent’s sworn deposition testimony served as evidence supporting Respondent’s repeated violation of the unfair trade practices laws, adopted in both Massachusetts and Rhode Island.
34. Respondent was licensed in Rhode Island as a non-resident insurance producer during the time he made misrepresentations to Massachusetts consumers and while he trained others to present those same misrepresentations.

AUTHORITY

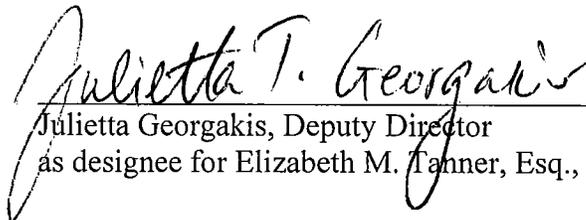
35. R.I. Gen. Laws §27-2.4-14(a) provides several bases for the Department to bring an action to revoke an insurance producer’s license including:

producer license pursuant to R.I. Gen. Laws §§27-2.4-16(a)(2), 27-2.4-16(a)(8), 41-14-16(a)(1) and 230-RICR-10-00-02.4;

III. The Director hereby appoints Catherine R. Warren, Esq. as Hearing Officer for the purpose of conducting the hearing and rendering a decision in this matter. The proceedings shall be conducted in conformity with R.I. Gen. Laws §§42-35-1 et seq. and 230-RICR-10-00-2.

IV. Pursuant to 230-RICR-10-00-2.7, the Respondent may be represented by legal counsel admitted in the State of Rhode Island. If the Respondent fails to appear at the hearing and has not otherwise notified the Department of the Respondent's inability to attend, the Hearing Officer may enter a default judgment against the Respondent pursuant to 230-RICR-10-00-2.21.

Dated this 15 day of February, 2022.



Julietta Georgakis, Deputy Director
as designee for Elizabeth M. Tanner, Esq., Director

If you have any questions regarding the subject matter of this Order, please contact Matthew Gendron, Esq. at 401-462-9540 or matthew.gendron@dbr.ri.gov and reference the case name and number.

All are welcome at the Rhode Island Department of Business Regulation ("DBR"). If any reasonable accommodation is needed to ensure equal access, service or participation, please contact DBR at 401-462-9551, RI Relay at 7-1-1, or email dbr.dirofficeinq@dbr.ri.gov at least three (3) business days prior to the meeting.

CERTIFICATION

I hereby certify that on this 15th day of February, 2022 a copy of this Order to Show Cause, Notice of Hearing and Appointment of Hearing Officer was sent by first class mail postage prepaid and certified mail to:

<i>Residence Address on File:</i> Matthew T. Marden [REDACTED] Woonsocket, Rhode Island 02895	<i>Business Address on File:</i> Matthew T. Marden [REDACTED] Littleton, Massachusetts 01460
<i>Address identified by the Department's Investigation:</i> Matthew T. Marden [REDACTED] Marlborough, MA	

And was sent by electronic mail to: Deputy Director Elizabeth Dwyer, Rachel Chester, Matthew Gendron, Esq., matt.marden1@gmail.com, and Hearing Officer Warren.

Megan Mihara

DBR Zoom Instruction Sheet

The Order to Show Cause Hearing will NOT be in person at the Department of Business Regulation but will be held remotely on Zoom. In order to participate you must join the Zoom Meeting by clicking on the link below or by calling one of the numbers and entering the Meeting ID and Passcode when prompted.

It is preferred that you join on video. If you have not already done so, please [download Zoom Client](#) to your computer, tablet and/or smartphone ahead of the order to show cause hearing.

Join Zoom Meeting for the Order to Show Cause Hearing, January 18, 2022 at 10:00 a.m.

Join Zoom Meeting

[Redacted]

[Redacted]

[Redacted]