

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)
and Insurance, State of New Jersey, to fine,)
suspend and/or revoke the insurance premium)
finance company license of Strand Finance)
Inc., Reference No. 8300414.)

CONSENT ORDER

TO: Strand Finance Inc.
22 Tennent Road
P.O. Box 309
Morganville, New Jersey 07751

THIS MATTER having been opened by the Commissioner of the New Jersey Department of Banking and Insurance (“Commissioner”), upon information that Strand Finance Inc. (“Respondent”), may have violated various provisions of the Insurance Premium Finance Company Act, N.J.S.A. 17:16D-1 to -16 (“Act”); and

WHEREAS, Respondent is currently licensed as an insurance premium finance company pursuant to N.J.S.A. 17:16D-3; and

WHEREAS, Respondent is subject to the provisions of the Act; and

WHEREAS, pursuant to N.J.S.A. 17:16D-6(c), the Commissioner may revoke or suspend the license of any premium finance company when the Commissioner finds that the licensee has shown itself untrustworthy or incompetent to act as an insurance premium finance company; and

WHEREAS, pursuant to N.J.S.A. 17:16D-6(d), the Commissioner may revoke or suspend the license of any premium finance company when the Commissioner finds that the licensee has violated any of the provisions of the Act; and

WHEREAS, pursuant to N.J.S.A. 17:16D-6, in lieu of revoking or suspending a license, the Commissioner may subject the licensee to a penalty of not more than \$200.00 for each offense, when in her judgment the Commissioner finds that the public interest would not be harmed by the continued operation of the licensee; and

WHEREAS, the Commissioner issued Order to Show Cause OCF20-03 on September 3, 2020, alleging violations of the Act by Respondent as set forth below:

COUNT 1

IT APPEARING that, sometime before April 19, 2020, Respondent entered into at least 107 insurance premium finance agreements (“finance agreements”) with New Jersey consumers; and

IT FURTHER APPEARING that, pursuant to the finance agreements, Respondent agreed to finance the full amount of the consumers’ insurance premiums with various insurers in exchange for regular installment payments from the consumers; and

IT FURTHER APPEARING that, pursuant to the finance agreements, in early April 2020, Respondent issued 107 checks payable to various insurers for the full amount of the consumers’ insurance premiums; and

IT FURTHER APPEARING that while the 107 checks were in transit to various insurers, Respondent requested its issuing bank to stop the payment on the checks; and

IT FURTHER APPEARING that, as a result of Respondent’s stop payment orders, the insurers were unable to cash the 107 checks and issue the insurance policies to the consumers; and

IT FURTHER APPEARING that, on April 17, 2020, an investigator of the Department of Banking and Insurance contacted Respondent in connection with Respondent’s stopped payments; and

IT FURTHER APPEARING that, on April 19, 2020 and April 20, 2020, Respondent issued 107 new checks to the insurers for the 107 payments that Respondent had previously stopped; and

IT FURTHER APPEARING that by stopping the payment on the 107 insurance premium checks, Respondent violated N.J.S.A. 17:16D-6(c) and -6(d); and

IT FURTHER APPEARING that each act of stopping payment on insurance premium checks constitutes a separate violation of the Act; and

WHEREAS, Respondent was given notice of the aforesaid allegations and an opportunity to contest them at a hearing; and

WHEREAS, on September 23, 2020, Respondent filed an Answer and Request for a Hearing, and this matter was transmitted to the Office of Administrative Law as a contested matter; and

WHEREAS, in the Answer, Respondent demonstrated that the correct number of payments that it cancelled is 88, and not 107 as alleged in the OTSC; and

WHEREAS Respondent admits and agrees to take responsibility for the aforementioned violations of the Act; and

WHEREAS Respondent has waived its right to a hearing on this matter and consents to payment of a penalty in the amount of \$17,600.00; and

WHEREAS this matter should be resolved, upon the consent of all parties without resort to a formal hearing; and


WHEREAS good cause exists to impose a civil penalty in this matter; and

NOW, THEREFORE, IT IS on this 17 day of February 2021,

IT IS ORDERED AND AGREED that simultaneously with execution of this Consent Order by Respondent, it shall pay a civil penalty in the amount of \$17,600.00 for the violations admitted to herein by certified check, official bank check, or money order made payable to the "State of New Jersey," which shall be sent to counsel for the Department; and

IT IS FURTHER ORDERED AND AGREED that Respondent shall cease and desist from engaging in the conduct that gave rise to this Consent Order, and from any other violations of the Act; and

IT IS FURTHER ORDERED AND AGREED that the provisions of this Consent Order represent a final agency decision and constitute final resolution of the violations contained herein.



Marlene Caride
Commissioner

CONSENTED TO AS TO FORM, CONTENT AND ENTRY:

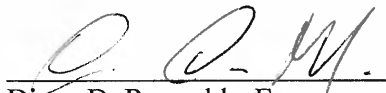


By:
(On behalf of Strand Finance Inc.)

Chairman / CEO

(Title)


Dated: 2/10/21



Diane D. Reynolds, Esq.
(counsel for Respondent)

Dated: 2/11/21

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the New Jersey
Department of Banking and Insurance



By: Garen Gazaryan
Deputy Attorney General

Dated: 02/17/2021