



WHEREAS, Bakir is licensed as a resident individual insurance producer pursuant to N.J.S.A. 17:22A-32(a); and

WHEREAS, Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26-48 (“Producer Act”), the Producer Licensing regulations, N.J.A.C. 11:17-1.1 to -2.17, the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8, the provisions regulating unfair trade practices, N.J.S.A. 17:298-1 et seq., and N.J.A.C. 11:17A-2.1 et seq., and the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 to 30 (“Fraud Act”); and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(2), an insurance producer shall not violate any insurance law, regulation, subpoena or order of the Commissioner or of another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(5), an insurance producer shall not intentionally misrepresent the terms of an actual or proposed insurance contract, policy or application for insurance; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(17), an insurance producer shall not knowingly facilitate or assist another person in violating any insurance laws; and

WHEREAS, pursuant to N.J.S.A. 17:29A-15, no broker or agent shall pay, allow, or give or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance, or

after insurance has been effected, any rebate, discount, abatement, credit, or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatsoever, not specified in the policy of insurance, except to the extent such rebate, discount, abatement, credit, reduction, favor, advantage or consideration may be provided for in rating-systems field by or on behalf of such insurer and approved by the Commissioner; and

WHEREAS, pursuant to N.J.A.C. 11:17-2.10(b)(4), when a producer employs another producer, the employing producer shall be responsible for the insurance-related conduct of the employed producer; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.6(c), licensed partners, officers and directors, and all owners with an ownership interest of 10 percent or more in the organization shall be held responsible for all insurance related conduct of the organization licensee, any of its branch offices, its other licensed officers or partners, and its employees; and

WHEREAS, pursuant to N.J.A.C. 11:17A-2.3(a), no insurance producer shall offer, make or give, or permit to be offered, made or given, to any person directly or indirectly, an inducement to purchase insurance other than that plainly expressed in the insurance contract; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating any provision of the Producer Act shall be liable to a penalty not exceeding \$5,000 for the first offense and not exceeding \$10,000 for each subsequent offense to be recovered in a summary proceeding in accordance with the "Penalty Enforcement Law of 1999," P.L.1999, c. 274 (C. 2A:58-10 et seq.); additionally, the Commissioner may order restitution of moneys owed any

person and reimbursement of the costs of investigation and prosecution, as appropriate; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(a)(3), a person or practitioner violates the Fraud Act if he conceals or knowingly fails to disclose the occurrence of an event which affects any person's initial or continued right or entitlement to (a) any insurance benefit or payment or (b) the amount of any benefit or payment to which the person is entitled; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(a)(4)(b), a person or practitioner violates the Fraud Act if he prepares or makes any written or oral statement, intended to be presented to any insurance company or producer for the purpose of obtaining an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to an insurance application or contract; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(b), a person or practitioner violates the Fraud Act if he knowingly assists, conspires with, or urges any person or practitioner to violate any of the provisions of the Fraud Act; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(c), a person or practitioner violates the Fraud Act if, due to the assistance, conspiracy, or urging of any person or practitioner, he knowingly benefits, directly or indirectly, from the proceeds derived from a violation of the Fraud Act; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5(c), the Commissioner is authorized to assess a civil and administrative penalty of not more than \$5,000 for the first violation, \$10,000 for the second violation and \$15,000 for each subsequent violation of any provision of the Fraud Act and to order restitution to any insurance company or other person who has suffered a loss as a result of a violation of the Fraud Act; and

WHEREAS, the Commissioner issued Order to Show Cause E17-121 ("OTSC E17-

121”) on December 21, 2017, with the following allegations:

### COUNT 1

IT APPEARING, that Allstate Insurance Company (“Allstate”) offers premium discounts on automobile insurance policies to insureds if they have completed a defensive driver course; and

IT FURTHER APPEARING, that in 2015, Allstate discovered that David Financial was applying defensive driver discounts to automobile insurance policies at a significantly higher rate than other agencies in New Jersey; and

IT FURTHER APPEARING, that Allstate conducted an investigation into Respondents and learned that they were inappropriately applying defensive driver discounts to policies for insureds who did not take a defensive driver course; and

IT FURTHER APPEARING, that Respondents submitted to Allstate automobile insurance applications with fake defensive driver course certificates in an attempt to obtain discounts for insureds; and

IT FURTHER APPEARING, that Respondents fraudulently obtained defensive driver discounts for at least seven insureds, in violation of N.J.S.A. 17:22A-40a(2), (5), (8), (16) and (17) and N.J.S.A. 17:33A-4a(3), 17:33A-4a(4)(b), 17:33A-4b and 17:33A-4c; and

### COUNT 2

IT FURTHER APPEARING, that Allstate offers lower insurance rates to insureds if they are able to show that they had maintained automobile insurance policies with other carriers before they applied for a policy with Allstate; and

IT FURTHER APPEARING, that during its investigation, Allstate discovered that Respondents fraudulently obtained lower insurance rates on automobile insurance policies for at least ten insureds by submitting fake letters from other insurance carriers as proof of prior automobile insurance, in violation of N.J.S.A. 17:22A-40a(2), (5), (8) and (16) and N.J.S.A. 17:33A-4a(3), 17:33A-4a(4)(b), 17:33A-4b and 17:33A-4c; and

### COUNT 3

IT FURTHER APPEARING, that Allstate offers to insureds discounts on automobile insurance policies if the insured owns a home; and

IT FURTHER APPEARING, that Allstate discovered during its investigation that Respondents submitted fake proof of homeownership in order to obtain a discount on an automobile insurance policy for at least one insured, in violation of N.J.S.A. 17:22A-40a(2), (5), (8), (16) and (17) and N.J.S.A. 17:33A-4a(3), 17:33A-4a(4)(b), 17:33A-4b and 17:33A-4c; and

### COUNT 4

IT FURTHER APPEARING, that Respondents offered insureds discounts on automobile insurance policies to which the insureds were not entitled, as an inducement to use David Financial to obtain automobile insurance policies with Allstate, in violation of N.J.S.A. 17:22A-40a(2), (5), (8) and (16), N.J.S.A. 17:29A-15 and N.J.A.C. 11:17A-2.3(a); and

### COUNT 5

IT FURTHER APPEARING, that David, as the owner and DRLP of David Financial, is responsible for the insurance related conduct of his employees and of the agency, and is therefore responsible for the submission to Allstate of fraudulent information with automobile insurance applications, in violation of N.J.S.A. 17:22A-40a(2), (5), (8), (16) and (17); N.J.A.C. 11:17- 2.10(b)4 and N.J.A.C. 11:17A-1.6(c); and

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

WHEREAS, Bakir filed an Answer and Request for a Hearing dated February 21, 2018, and this matter was transmitted to the Office of Administrative Law as a contested matter; and

WHEREAS, Bakir admits and takes responsibility for the violations of the above-cited statutes and regulations contained in Counts, 1, 2, 3, and 4 of OTSC E17-121; except for the Fraud Act allegations contained in Count 3 as they have been withdrawn by the Department; and

NOW, THEREFORE, IT IS on this 19<sup>th</sup> day of December, 2023;

ORDERED AND AGREED, that Bakir shall be responsible for the payment of \$10,000.00 in civil penalties for violations of the Producer Act, Fraud Act, and other insurance laws cited above as follows:

Bakir shall be responsible for the payment of a civil penalty of \$5,000.00, for the Producer Act violations described in Counts 1, 2, 3, and 4, of OTSC E17-121; and

Bakir shall be responsible for the payment of civil penalties totaling \$5,000.00, for the Fraud Act violations described in Counts 1, and 2, of OTSC E17-121; and

IT IS FURTHER ORDERED AND AGREED that pursuant to N.J.S.A. 17:22-45(c) and N.J.A.C. 11:1-32.4(b)(20), Bakir shall reimburse the Department of Banking & Insurance, Division of Insurance Enforcement for the costs associated with the investigation and prosecution of this matter, in the amount of \$500.00; and

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.S.A. 17:33A-5c, Bakir shall reimburse the Department of Banking and Insurance, Bureau of Fraud Deterrence, for the attorneys' fees associated with the investigation and prosecution of this matter, totaling \$1,000.00; and

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.S.A. 17:33A-5.1, Bakir shall pay the Department of Banking and Insurance, Bureau of Fraud Deterrence, a statutory fraud surcharge in the amount of \$250.00; and

IT IS FURTHER ORDERED AND AGREED, that Bakir shall pay the above fines, costs, surcharge and attorneys' fees, totaling \$11,750.00 ("Settlement Amount"), as follows; and

IT IS FURTHER ORDERED AND AGREED, that Bakir shall remit \$1,000.00 down payment, upon her execution of this Consent Order. The payment shall be made through a

certified check, cashier's check, or money order made payable to the "Commissioner, New Jersey Department of Banking and Insurance;" and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the payment of \$1,000.00 shall be remitted to:

Jessica Lugo, Deputy Attorney General  
State of New Jersey, Division of Law  
R.J. Hughes Justice Complex  
25 Market Street  
P.O. Box 117  
Trenton, New Jersey 08625;

and:

IT IS FURTHER ORDERED AND AGREED, that Bakir shall remit the remaining \$10,750 in \$300 installments on the first day of each month following entry of this Consent Order, and until the remaining balance is paid in full, paid by certified check, cashier's check or money order made payable to the "Commissioner, New Jersey Department of Banking and Insurance"; and

IT IS FURTHER ORDERED AND AGREED, that the monthly \$300 installments shall be remitted to:

Collections Department  
New Jersey Department of Banking & Insurance  
20 West State Street, 10<sup>th</sup> Floor  
P.O. Box 325  
Trenton, New Jersey 08625;

and

IT IS FURTHER ORDERED AND AGREED, that in the event of the failure by Bakir to pay any installment payment when due, the entire Settlement Amount shall be immediately due and payable, upon written notice by the Commissioner. Such notice shall be given to Bakir by: (a) delivery in person; (b) a nationally recognized next-day courier service; or (c) first class regular or certified mail. Notice so given shall be effective upon: (a) receipt; or (b) on the fifth



(5<sup>th</sup>) day following mailing, whichever occurs first. Bakir shall have an opportunity to pay the unpaid balance within fifteen (15) calendar days from the date of notice. If Bakir fails to pay the overdue unpaid balance of the payment obligations under this Consent Order within fifteen (15) calendar days from the date of notice of non-payment, then the Commissioner may take any action available under the law of this State to collect the amount outstanding at that time, including post-judgment interest from the date of the Consent Order, attorneys' fees expended to date and to collect this debt, and any other remedies available under the law; and

IT IS FURTHER ORDERED AND AGREED, that this Consent Order shall be docketed as a statewide lien until paid in full and in the event full payment is not made, the Commissioner may exercise any and all remedies available by law, including, but not limited to, recovery of attorneys' fees and any unpaid penalties in a summary proceeding, in accordance with the Penalty Enforcement Law, N.J.S.A. 2A:58-10 to -12; and

IT IS FURTHER ORDERED AND AGREED, that the penalties of this Consent Order are imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and protection of the public health, safety, and welfare, and are not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED AND AGREED, that Bakir shall cease and desist from engaging in the conduct that gave rise to this Consent Order; 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 cited in OTSC E17-121 as to Bakir.


  
Justin Zimmerman  
Acting Commissioner

**CONSENTED AS TO FORM, CONTENT, AND ENTRY:**



Sugell Bakir

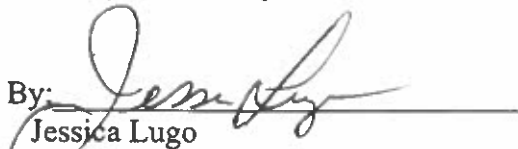
Dated: 10/20/2003



Teri S. Lodge, Esq.  
Attorney for Sugell Bakir

Dated: 10/25/2003

MATTHEW J. PLATKIN  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Department

By:   
Jessica Lugo  
Deputy Attorney General

Dated: 11/9/23