

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 producer)
license of Bilal Pekdemir, Ref. No. 9716879.)

ORDER TO SHOW CAUSE

TO: Bilal Pekdemir
2033 Lemoine Avenue, Ste. 205
Fort Lee, NJ 07024-5718

Bilal Pekdemir
132 Myrtle Avenue, Apt. 20
Fort Lee, NJ 07024-7925

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Bilal Pekdemir (“Respondent”) may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, at all relevant times, Respondent was and is currently licensed as a resident individual insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32a; and

WHEREAS, Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 (“Producer Act”), the Producer Licensing regulations, N.J.A.C. 11:17-1.1 to -2.17, and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-40a, the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, and may levy a civil penalty against the producer, for a violation of the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first violation and not exceeding \$10,000.00 for each subsequent violation; moreover, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of investigation and prosecution; and

COUNT ONE

IT APPEARING, that between August 2013 through June 2015, Respondent submitted seven Farmers Insurance Company ("Farmers") automobile insurance applications for customers MC, YJ, TA, SS, SI, HK, and SJ ("Insureds"), and each application initially covered one vehicle; and

IT FURTHER APPEARING, that at or around the same time he submitted the automobile insurance applications for the Insureds for one vehicle, Respondent added comprehensive only

coverage for a second vehicle to each policy, none of which vehicles were owned by or registered to the Insureds, and without the Insureds' knowledge or consent; and

IT FURTHER APPEARING, that Respondent added the second vehicles to each of the Insureds' policies in order to qualify each Insured for a multi-vehicle discount, which resulted in substantial savings to the Insureds, but to which the Insureds were not entitled; and

IT FURTHER APPEARING, that upon investigation by Farmers, vehicle identification number history reports for each of the seven additional vehicles indicated that someone other than the Insureds were the registered owners of each of the second vehicles during the policy period; and

IT FURTHER APPEARING, that in a written statement to Farmers, Respondent admitted to adding comprehensive only coverage for second vehicles for each of the Insureds in order to qualify the Insureds for multi-vehicle discounts to which they were not entitled; and

IT FURTHER APPEARING, that Respondent further admitted that in adding comprehensive coverage for second vehicles to each of the Insureds' policies, Respondent did not confirm ownership of the vehicles; and

IT FURTHER APPEARING, that Respondent, by adding comprehensive only automobile insurance coverage for second vehicles to Farmers policies for the Insureds, which vehicles were not owned by or registered to the Insureds, and without the Insureds' knowledge or consent, in order to qualify the Insureds for multi-vehicle discounts to which the Insureds were not entitled, violated N.J.S.A. 17:22A-40a(2), (5), (8), and (16); and

NOW, THEREFORE, IT IS on this 6TH day of SEPTEMBER, 2018

ORDERED, that Respondent shall appear and show cause why his insurance producer license shall not be revoked pursuant to N.J.S.A. 17:22A-40a; and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty up to \$5,000.00 for the first violation, and up to \$10,000.00 for each subsequent violation of the Producer Act, and order Respondent to pay restitution of moneys owed to any person, pursuant to N.J.S.A. 17:22A-45c; and

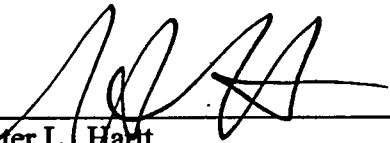
IT IS FURTHER ORDERED, that Respondent appear and show cause why he should not be required to reimburse the New Jersey Department of Banking and insurance for the cost of investigation and prosecution pursuant to N.J.S.A. 17:22A-45c; and

IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at his own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued, and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED, that unless a request for a hearing is received within twenty (20) days of service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Respondent, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to: Virgil Dowtin, Chief of Investigations, Department of Banking and Insurance ("Department"), P.O. Box 329, Trenton, N.J. 08625, or by faxing the request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General Brian R. Fitzgerald at: 25 Market Street, Box 117, Trenton, NJ 08625. The request shall contain the following:

- (a) Respondent's full name, current address, and daytime telephone number;**
- (b) A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;**

- (c) A specific admission or denial of each fact alleged in this Order to Show Cause. Where the Respondent has no specific knowledge regarding a fact alleged in the Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
- (d) A statement requesting the hearing.



Peter L. Hart
Director of Insurance