

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

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Proceedings by the Commissioner )  
of Banking and Insurance, State )  
of New Jersey, to fine, suspend )  
and/or revoke the insurance producer )  
licenses of Karen Yokely, Reference No. )  
8808428 and Isatu Tejan-Sie, )  
Reference No. 1036881 )  
\_\_\_\_\_

**ORDER  
TO  
SHOW CAUSE**

TO: Karen Yokely  
1233 Watchung Avenue  
Plainfield, New Jersey 07060

Karen Yokely  
17 South Bridge Street  
Somerville, New Jersey 08873

Isatu Tejan-Se  
164 Branchport Avenue  
Long Branch, New Jersey 07740

Isatu Tejan-Se  
175 Monmouth Road, Suite 141A  
West Long Branch, New Jersey 07764

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Karen Yokely (“Yokely”) and Isatu Tejan-Sie (“Tejan-Sie”) (collectively, “Respondents”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Yokely was licensed as a resident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32a, until her license expired on May 31, 2014; and

WHEREAS, Tejan-Sie was licensed as a resident insurance producer in the State of New Jersey pursuant to N.J.S.A. 17:22A-32a, until her license expired on April 30, 2013; and

WHEREAS, Yokley and Tejan-Sie are 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”) and the

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-40d, the Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Producer Act and Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes against any person who is under investigation for or charged with a violation of the Producer Act or Title 17 of the Revised statutes or Title 17B of the New Jersey Statutes even if the person's license or registration has been surrendered or lapsed by operation of law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(1), an insurance producer shall not provide incorrect, misleading, incomplete or materially untrue information in the license application; 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(6), an insurance producer shall not be convicted of a felony or crime of the fourth degree or higher; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(15), an insurance producer shall not intentionally withhold material information or make a material misstatement in an application for a license; 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(18), an insurance producer shall not fail to notify the Commissioner within thirty days of his or her conviction of any crime, indictment or the filing of any formal criminal charges, or the suspension or revocation of any insurance license or authority by a state, other than this State, or the initiation of formal disciplinary proceedings in a

state, other than this State, affecting the producer's insurance license; or fail to obtain the written consent pursuant to sections 1033 and 1034 of Title 18, United States Code (18 U.S.C. §§1033 and 1034); or fail to supply any documentation that the Commissioner may request in connection therewith; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47a, an insurance producer shall report to the Commissioner any administrative action taken against the insurance producer in another jurisdiction or by another government agency in this State within 30 days of the final disposition of the matter; and

WHEREAS, pursuant to N.J.S.A. 17:22A-47b, an insurance producer shall report to the Commissioner any criminal prosecution of the producer taken in any jurisdiction within 30 days of the initial pretrial hearing date; and

WHEREAS, pursuant to N.J.A.C. 11:17A-4.10, an insurance producer acts in a fiduciary capacity in the conduct of his or her insurance business; 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 offense and not exceeding \$10,000.00 for each subsequent offense; moreover, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of investigation and prosecution as appropriate; and

**COUNT 1**

**(Yokely)**

IT APPEARING, that on August 7, 2012, Yokely was indicted by a federal grand jury in the District of New Jersey for Conspiracy to Commit Wire Fraud in violation of 18 U.S.C. §1349 ; and

IT FURTHER APPEARING, that on September 8, 2015, Yokely entered into a plea agreement with the United States Attorney, District of New Jersey in which Yokely admitted to conspiring with others to obtain fraudulent mortgage loans from financial institutions using false documents and straw buyers to make illegal profits on overbuilt condominiums in Wildwood, New Jersey; and

IT FURTHER APPEARING, that the total loss to lenders as a result of fraudulent transactions that Yokely participated in was \$956,014.54; and

IT FURTHER APPEARING, that on February 24, 2016, Yokely was convicted of Conspiracy to Commit Wire Fraud in violation of 18 U.S.C. §1349 by the United States District Court, District of New Jersey, sentenced to one day imprisonment and two years of supervised release, and ordered to pay restitution in the amount of \$956,138.39, and in violation of N.J.S.A. 17:22A-40a(2), (6) and (16) and N.J.A.C. 11:17A-4.10; and

**COUNT 2**

**(Yokely)**

IT FURTHER APPEARING, that Yokely failed to report her indictment to the Commissioner, in violation of N.J.S.A. 17:22A-47b and N.J.S.A. 17:22A-40a(18); and

**COUNT 3**

**(Yokely)**

IT FURTHER APPEARING, that on December 22, 2008, the Insurance Commissioner for the Commonwealth of Pennsylvania issued an administrative penalty of five years of license supervision against Yokely for failing to identify a prior misdemeanor conviction when Yokely submitted her title license application on January 14, 2008; and

IT FURTHER APPEARING, that Yokely failed to report her Pennsylvania administrative action to the Commissioner, in violation of N.J.S.A. 17:22A-47a and N.J.S.A. 17:22A-40a(18), and that on June 1, 2009, Yokely answered in the negative on her New Jersey insurance producer renewal license application when asked if she had ever been involved in an administrative proceeding regarding any professional or occupational license, in violation of N.J.S.A. 17:22A-40a(1) and (15); and

**COUNT 4**

**(Tejan-Sie)**

IT APPEARING, that on August 7, 2012, Tejan-Sie was indicted by a federal grand jury in the District of New Jersey for Conspiracy to Commit Wire Fraud in violation of 18 U.S.C. §1348; and

IT FURTHER APPEARING, Tejan-Sie subsequently entered into a pre-trial diversion agreement with the United States Attorneys Office, District of New Jersey; and

IT FURTHER APPEARING, that on October 17, 2016, the United States District Court, District of New Jersey, issued a Dismissal Order dismissing all charges against Tejan-Sie contained in the indictment based upon the terms of the diversion agreement; and

IT FURTHER APPEARING, that Tejan-Sie failed to report her indictment to the Commissioner, in violation of N.J.S.A. 17:22A-47b and N.J.S.A. 17:22A-40a(18); and

NOW, THEREFORE, IT IS on this 30<sup>th</sup> day of APRIL, 2018

ORDERED, that Respondents appear and show cause why their New Jersey insurance producer licenses should not be suspended or revoked pursuant to N.J.S.A. 17:22A-40a; and

IT IS FURTHER ORDERED, that Respondents appear and show cause why the Commissioner should not assess civil penalties of up to \$5,000.00 for the first violation and

\$10,000.00 for each subsequent violation of the Producer Act, pursuant to the provisions of N.J.S.A. 17:22A-45c; and

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

IT IS PROVIDED, that Respondents have the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their 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 the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by the Respondents, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 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 Carl M. Bornmann, Division of Law, Banking and Insurance Section, 25 Market Street, PO Box 117, Trenton, New Jersey 08625-0117. The request shall contain the following;

- (a) Respondent's name, 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 this 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 a hearing.



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Peter L. Hart  
Director of Insurance