

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)
licenses of Farrukh Siddiqui, Reference No.)
119608, and Zayan Takaful LLC, Reference)
No. 1201276)

ORDER TO SHOW CAUSE

TO: Farrukh Siddiqui
5004 East Fowler Avenue
Suite C-322
Tampa, Florida 33717

Zayan Takaful, LLC
212 Carnegie Center
Suite 206
Princeton, NJ 08450

THIS MATTER having been opened by the Commissioner of the New Jersey Department of Banking and Insurance (“Commissioner”), upon information that Farrukh Siddiqui (“Siddiqui”), and Zayan Takaful LLC (“Zayan Takaful”) (collectively, “Respondents”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Siddiqui is currently licensed as a nonresident individual insurance producer, pursuant to N.J.S.A. 17:22A-34(a); and

WHEREAS, Zayan Takaful was licensed as a resident business entity producer, pursuant to N.J.S.A. 17:22A-32(b), until its license expired on May 31, 2016; 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 to -48 (the “Producer Act”), 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-40(d), 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 has lapsed by operation of law; 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)(8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22-6.42(c), surplus lines insurance can be procured from unauthorized insurers, provided, among other things, that the insurance must be placed through a licensed New Jersey surplus lines agent; and

WHEREAS, pursuant to N.J.S.A. 17:22A-29, a person shall not sell, solicit or negotiate insurance in this State unless the person is licensed for that line of authority in accordance with the Producer Act; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(a), with certain exception, no person shall act as an insurance producer or maintain or operate any office in this State for the transaction of the business of an insurance producer, or receive any commission, brokerage fee, compensation or other consideration for services rendered as an insurance producer, without first obtaining a license from the Commissioner granting authority for the kind of insurance transacted; and

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

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating the Producer Act is subject to a penalty of \$5,000.00 for the first offense and up to \$10,000.00 for each subsequent offense; additionally the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

COUNT ONE

IT APPEARING that the Zayan Takaful's producer license expired on May 31, 2016; and

IT FURTHER APPEARING that at all relevant times Siddiqui was the designated responsible licensed producer ("DRLP") for Zayan Takaful and responsible for Zayan Takaful's compliance with the insurance laws, rules and regulations of this State pursuant to N.J.S.A. 17:22A-32(b)(2); and

IT FURTHER APPEARING that Zayan Takaful conducted insurance business in New Jersey from May 31, 2016 until January 24, 2017 without a valid license; and

IT FURTHER APPEARING that, Zayan Takaful placed at least thirty (30) surplus lines policies in New Jersey without having surplus line authority after the expiration of its producer license; and

IT FURTHER APPEARING that by issuing at least thirty (30) surplus lines policies in New Jersey while unlicensed, Respondents violated N.J.S.A. 17:22A-40(a)(2), N.J.S.A. 17:22A-40(a)(8), N.J.S.A. 17:22-6.42(c), N.J.S.A. 17:22A-29, and N.J.A.C. 11:17A-1.3(a); and

IT FURTHER APPEARING that each act of issuance of a surplus lines policy while unlicensed constitutes a separate violation of the Producers Act and the regulations governing Insurance Producer Standards of Conduct; and

NOW, THEREFORE, IT IS on this 25 day of August 2021,

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

IT IS FURTHER ORDERED, that Respondents appear and show cause why the Commissioner should not assess a civil penalty of 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 Respondents to pay restitution of moneys owed to any person, pursuant to N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondents appear and show cause why, in addition to any other penalty, they should not be required to reimburse the Department for the costs of investigation and prosecution as authorized by N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED 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 ORDERED 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 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, Consumer Protection Services, Enforcement, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625. A copy of the request for a hearing shall also be sent to Deputy Attorney General William E. Vaughan at P.O. Box 117, Trenton, New Jersey 08625. The request shall contain the following:

- A. Respondents' full 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 Respondents have 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 a hearing.



Marlene Caride
Commissioner