

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA) COUNTY OF WAKE))) IN THE MATTER OF:)) THE LICENSURE OF) FARAZ BUTT) (NPN 20017152)))))))	BEFORE THE COMMISSIONER OF INSURANCE ORDER AND <u>FINAL AGENCY DECISION</u> Docket No. 2325
---	---	---

THIS MATTER was heard on January 20, 2026, by the undersigned Hearing Officer, as designated by the North Carolina Commissioner of Insurance (“Commissioner”) pursuant to N. C. Gen. Stat. § 58-2-55 and other applicable statutes and regulations. The administrative hearing was held in the North Carolina Department of Insurance’s Hearing Room, Room # 211, located at 3200 Beechleaf Court, Raleigh, Wake County, North Carolina.

Petitioner, the Agent Services Division of the North Carolina Department of Insurance (“Petitioner” or “Agent Services”), was present and represented by Assistant Attorney General, Dilcy Burton. Respondent, Faraz Butt (“Respondent”) did not appear and was not represented by counsel at the hearing.

Melody Hocutt, Complaint Analyst with Agent Services, appeared and testified on behalf of the Petitioner.

Petitioner’s Exhibits 1 through 14 were admitted into evidence with redactions of personally identifiable information.

The Petition for Administrative Hearing alleged that Respondent violated N.C. Gen Stat. §§ 58-33-32(k) and 58-33-46(a)(2) for failure to report another state’s administrative action.

Originally scheduled for November 25, 2025, this hearing was continued to January 20, 2026 at 10:00 a.m. The undersigned granted the Petitioner’s request for continuance because of service issues.

BASED UPON careful consideration of the documentary and testimonial evidence presented at the hearing, and upon the entire record in the proceeding, the

undersigned Hearing Officer hereby makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The North Carolina Department of Insurance (“NCDOI” or “Department”) is a state agency responsible for enforcement of the insurance laws of North Carolina and for regulating and licensing insurance producers, in accordance with Chapter 58 of the North Carolina Statutes.

2. At all relevant times, Respondent held a nonresident North Carolina Insurance Producer License, National Producer Number 20017152, with a line of authority in Accident and Health or Sickness (“License”). *See* Pet'r's Exs. 5 and 6. Respondent's License was first active in North Carolina on August 26, 2021. *Id.* Respondent is a resident of Florida (home state). *Id.*

3. The Notice of Administrative Hearing and Petition for Administrative Hearing, along with Petitioner's Motion to Continue Hearing, and Order Granting Petitioner's Motion to Continue Administrative Hearing and Scheduling Order were properly served on Respondent at Respondent's residential address of record via Federal Express-Priority Overnight pursuant to N.C. Gen. Stat. §§ 58-2-69(b), (d) and (e) and Rule 4 of the North Carolina Rules of Civil Procedure. *See* Pet'r's Exs. 1, 2, and 4. The Federal Express-Priority Overnight mail was delivered to Respondent on December 11, 2025. *See* Pet'r's Ex. 4.

4. On December 16, 2025, a copy of the Amended Order Granting Petitioner's Motion to Continue Administrative Hearing and Scheduling Order was deposited in the United States Postal Service via first-class mail and via certified mail, return receipt requested, to Respondent at Respondent's residential address of record pursuant to Rule 5 of the North Carolina Rules of Civil Procedure, which also incorporates the service methods of Rule 4. *See* Pet'r's Exs. 3 and 4. The certified mail was not delivered, and the first-class mail was not returned.

5. Melody Hocutt (“Ms. Hocutt”) is a Complaint Analyst with Agent Services, and her job responsibilities include handling enforcement files for Agent Services. This includes handling an investigation of a licensee if another state takes administrative action against the licensee. Administrative actions are reflected on the Regulatory Information Retrieval System (“RIRS”) report, which is an automatic notification system through the National Association of Insurance Commissioners (“NAIC”). This system generates Personalized Information Capture System alerts (“PIC alert”) that notify the NCDOI if another state has taken administrative action against a North Carolina licensee.

6. Ms. Hocutt was assigned the PIC alert relating to the administrative action against Respondent that the Wisconsin Office of the Commissioner of

Insurance (“Wisconsin”) entered into NAIC on September 20, 2024. *See* Pet’s Ex. 7.

7. Agent Services obtained a certified copy of the Stipulation and Order issued by Wisconsin. *See* Pet’s Ex. 9. On December 21, 2023, Wisconsin ordered the permanent surrender of Respondent’s nonresident insurance intermediary license to resolve allegations that Respondent engaged in acts that constituted sufficient grounds to revoke, suspend, or limit his license (“Wisconsin administrative action”). *Id.*

8. A licensee is obligated to report any administrative action taken against the licensee to the NCDOI within thirty (30) days of the action’s final disposition. *See* N.C. Gen. Stat. § 58-33-32(k). This report must include a copy of the order or consent order and any other information or documents filed in the proceeding necessary to describe the action. *Id.* A licensee may report an administrative action by uploading a copy of the administrative action to the NIPR Attachment Warehouse or reporting it directly to the NCDOI via mail, e-mail, or fax.

9. The NIPR Attachment Warehouse screenshot shows that Respondent did not report the administrative action from Wisconsin within thirty (30) days of its effective date of December 21, 2023. *See* Pet’s Ex. 8. Furthermore, Respondent did not report the December 21, 2023 Wisconsin administrative action directly to the NCDOI.

10. On October 7, 2024, October 22, 2024 and November 5, 2024, Ms. Hocutt sent correspondence via e-mail to Respondent’s e-mail address of record (Faraz_sajid7@live.com) requesting information regarding the unreported Wisconsin administrative action. *See* Pet’s Exs. 10-12. Respondent failed to acknowledge or reply to the communications dated October 7, 2024, October 22, 2024 and November 5, 2024.

11. On December 16, 2024, Ms. Hocutt sent correspondence via first-class mail to Respondent’s residential address of record and e-mailed a copy to Respondent’s e-mail address of record requesting that Respondent attend an informal conference to discuss the Wisconsin administrative action. *See* Pet’s Ex. 13. The informal conference was scheduled for Respondent on January 15, 2025 at 11:30 a.m. eastern time via the telephone. *Id.*

12. At the appointed time for the January 15, 2025 informal telephonic conference, the Department contacted Respondent at the telephone number on record (954-263-7371) and Respondent did not answer. Agent Services left a voicemail message for Respondent, but Respondent failed to return the Department’s call.

13. As of the hearing date, Respondent failed to fulfill the statutory obligation to report the December 21, 2023 Wisconsin administrative action to the

NCDOI or via the NIPR Attachment Warehouse.

CONCLUSIONS OF LAW

1. This matter is properly before the Commissioner. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Chapter 58 of the North Carolina General Statutes.

2. Respondent was properly served with the Notice of Administrative Hearing (“Notice”) and Petition for Administrative Hearing (“Petition”) in this matter pursuant to N.C. Gen. Stat. §§ 58-2-69(d) and (e) and Rule 4 of the North Carolina Rules of Civil Procedure. Service of the Notice and Petition to Respondent’s residential address of record was deemed complete on or about December 16, 2025. *See* Pet’r’s Ex. 4.

3. Respondent was properly served with the Amended Order Granting Petitioner’s Motion to Continue Administrative Hearing and Scheduling Order in this matter pursuant to Rule 5 of the North Carolina Rules of Civil Procedure, which also incorporates the service methods of Rule 4. Service was deemed complete on or about December 16, 2025. *See* Pet’r’s Ex. 4.

4. N.C. Gen. Stat. § 58-33-32(k) requires an insurance producer to report to the Commissioner any administrative action taken against the producer in another state within 30 days after the final disposition of the matter and to include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the action.

5. Respondent’s failure to report and provide a copy of the December 21, 2023 Wisconsin administrative action directly to the NCDOI or via the NIPR Attachment Warehouse within thirty (30) days of the action’s final disposition is a violation of N.C. Gen. Stat. § 58-33-32(k). Respondent never reported the December 21, 2023 Wisconsin administrative action despite having received multiple communications from Agent Services requesting the reporting of the administrative action.

6. N.C. Gen. Stat. § 58-33-46(a)(2) allows the Commissioner to place on probation, suspend, or revoke the license of a licensee who has violated any insurance law of this or any other state, violated any administrative rule, subpoena, or order of the Commissioner or of another state’s insurance regulator, or violated any rule of FINRA. Respondent’s nonresident insurance producer license is subject to disciplinary action due to Respondent’s violation of N.C. Gen. Stat. § 58-33-32(k) for failing to timely report the December 21, 2023 Wisconsin administrative action within thirty (30) days of the action’s final disposition.

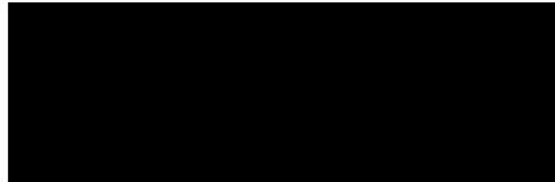
BASED UPON the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer enters the following:

ORDER

It is ORDERED that Respondent's nonresident insurance producer license issued by the North Carolina Department of Insurance is hereby **REVOKED**.

This Order is effective three (3) days from the date of mailing this Order. The "date of mailing" is the date indicated on the Certificate of Service attached to this Order.

This 27th day of March, 2026.



Shannon Wharry
Hearing Officer
N.C. Department of Insurance

APPEAL RIGHTS

This is a Final Agency Decision issued under the authority of N.C. Gen. Stat. § 150B, Article 3A.

Under the provisions of N.C. Gen. Stat. § 150B-45, any party wishing to appeal a final decision of the North Carolina Department of Insurance must file a Petition for Judicial Review in the Superior Court of the County where the person aggrieved by the administrative decision resides, or in the case of a person residing outside the State, the county where the contested case which resulted in the final decision was filed. The appealing party must file the petition within 30 days after being served with a written copy of the Order and Final Agency Decision. In conformity with the 11 NCAC 1.0413 and N.C.G.S. § 1A-1, Rule 5, this Order and Final Agency Decision was served on the parties on the date it was placed in the mail as indicated by the date on the Certificate of Service attached to this Order and Final Agency Decision. N.C. Gen. Stat. § 150B-46 describes the contents of the Petition and requires service of the Petition on all parties. The mailing address to be used for service on the Department of Insurance is: Amy Funderburk, General Counsel, 1201 Mail Service Center, Raleigh, NC 27699-1201.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing **ORDER AND FINAL AGENCY DECISION** by mailing a copy of the same via certified U.S. Mail, return receipt requested; and via first class U.S. Mail to the Respondent at the address provided to the Commissioner pursuant to N.C. Gen. Stat. § 58-2-69(b); and via courtesy e-mail to the Respondent; and via State Courier and courtesy e-mail to Attorney for Petitioner addressed as follows:

Faraz Butt
7594 70th Way
Parkland, FL 33067
Faraz_sajid7live.com
(Respondent)

Certified Mail Tracking Number: 9589 0710 5270 1723 5221 80

Dilcy Burton
Assistant Attorney General
N.C. Department of Justice
Insurance Section
9001 Mail Service Center
Raleigh, NC 27699-9001
dburton@ncdoj.gov

This the 27th day of March, 2026.



Raheema I. Moore
Clerk of Court for Administrative Hearings
Paralegal III
N.C. Department of Insurance
1201 Mail Service Center
Raleigh, NC 27699-1201