

BEFORE THE DIVISION OF INSURANCE
DEPARTMENT OF LABOR AND REGULATION
STATE OF SOUTH DAKOTA

IN THE MATTER OF
HAGAN BARRON
INTERMEDIARIES, LLC

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CONSENT ORDER

In resolution of the above matter and in lieu of the issuance of a license application denial, Notice of Hearing, and a formal hearing, the undersigned parties do hereby agree to the following:

HAGAN BARRON INTERMEDIARIES, LLC (“HAGAN BARRON”), whose address of record is 1741 S. Cleveland Ave., Ste. 200, Sioux Falls, SD 57103, is an applicant for a third-party administrator (“TPA”) license in the State of South Dakota;

HAGAN BARRON is aware that the South Dakota Division of Insurance (“Division”) has conducted an investigation of its insurance-related activities in South Dakota;

The Division has alleged the following:

- 1) HAGAN BARRON filed an application with the Division on September 14, 2012 for a TPA license;
- 2) In its application, HAGAN BARRON indicated that it or its officers had been the subject of 2 administrative actions and provided information about Brian Hagan’s administrative actions;
- 3) In its application, HAGAN BARRON failed to disclose a July 19, 2000 administrative action concerning an officer of HAGAN BARRON who was also an officer serving the company subject to in the 2000 action, Mike Hagan;
- 4) In its application, HAGAN BARRON failed to disclose a October 27, 2010 administrative action concerning an officer of HAGAN BARRON who was also an officer serving the company subject to in the 2010 action, Mike Hagan;
- 5) In its application, HAGAN BARRON failed to disclose an August 3, 2011 administrative action concerning an officer of HAGAN BARRON who was also an officer serving the company subject to in the 2011 action, Brian Hagan;
- 6) Pursuant to SDCL §§ 58-29D-24 and 58-30-167(1), (2), and (9), the Director of the Division may deny HAGAN BARRON’s application for TPA license for any one of the above-cited reasons.

HAGAN BARRON is aware of and understands the nature of the charges and has been informed that it has the right to notice, hearing, and appeal, and that by agreeing to and signing this Consent Order waives these rights;

In return for HAGAN BARRON agreeing to the provisions of this Consent Order, the Division agrees not to proceed by denying HAGAN BARRON’s license for the allegations above and agrees that this

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Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL § 1-26-20;

HAGAN BARRON agrees to a monetary penalty in the amount of \$2,500.00 pursuant to SDCL §§ 58-29D-33 and 58-4-28.1, in lieu of contesting this matter formally;

HAGAN BARRON further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota;

HAGAN BARRON waives its right to contest the allegations contained in this Consent Order in any future actions or licensing procedures;

HAGAN BARRON agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that HAGAN BARRON pay a monetary penalty in the amount of \$2,500.00 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

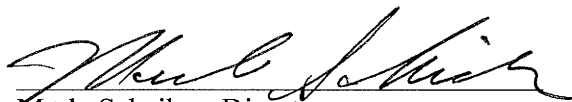
ORDERED that should HAGAN BARRON fail to comply with the provisions of this Order, the South Dakota Division of Insurance may seek other remedies available at law; and it is further

ORDERED that the use of this Consent Order for competitive purposes by an insurance agent or third-party administrator holding a license in the State of South Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority; and it is further

ORDERED that upon the date of the signature of the Director, the September 14, 2012 application of HAGAN BARRON is hereby approved and licensure granted under that application; and it is further

ORDERED that all provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 26th day of November, 2012.


Merle Scheiber, Director
South Dakota Division of Insurance

[Signature block and waiver of HAGAN BARRON follows]

The undersigned, on behalf of HAGAN BARRON, represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enter into this Consent Order.

Dated this 15 day of November, 2012.

Brian M Hagan
Signature of Authorized Representative

BRIAN HAGAN
Name of Authorized Representative (printed)

President
Title of Authorized Representative