

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

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IN THE MATTER OF BRAZOS	)	CONSENT ORDER
SPECIALTY RISK, INC.	)	

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

BRAZOS SPECIALTY RISK, INC. (“BRAZOS”), whose address of record is 2113 Greenbriar Dr., STE D, Southlake, TX 76092-8312, is an applicant for a business entity license in the State of South Dakota;

BRAZOS is aware that the South Dakota Division of Insurance (“Division”) has conducted an investigation of its application;

The Division alleges the following with regard to BRAZOS:

- 1) BRAZOS applied for a business entity license in South Dakota on March 13, 2014;
- 2) BRAZOS failed to report a Texas administrative action in 2012 and subsequently failed to respond to the Division’s inquiries;
- 3) In 2012, BRAZOS’s business entity license was revoked at administrative hearing in Pierre, South Dakota for failing to report the Texas action, failing to respond to the Division’s inquiries, and failing to update its address with the Division, violations of SDCL §§ 58-30-193, 58-33-66 and 58-33-68, and 58-30-157, respectively;
- 4) Pursuant to SDCL §§ 58-30-167(1), (2), (3), (8), and (9), the Director of the Division may deny BRAZOS’s business entity license application for the above-cited reasons;

BRAZOS is aware of and understands the nature of the allegations and has been informed of its right to a Notice of Hearing, counsel, and appeal and that by agreeing to sign this Consent Order, waives these rights;

In return for BRAZOS agreeing to and complying with the provisions of this Consent Order, the Division agrees not to proceed with the denial of BRAZOS’s application and subsequent administrative hearing and agrees that this Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL § 1-26-20;

BRAZOS agrees to pay \$1,500 pursuant to SDCL §§ 58-4-28.1 and 58-30-167 in lieu of an application denial, administrative hearing, and Final Decision;

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

BRAZOS further 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 BRAZOS pay a monetary penalty in the amount of \$1,500 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 BRAZOS abide by the agreements made by it in this Consent Order; and it is further

ORDERED that the business entity application of BRAZOS as submitted March 13, 2014 and as amended to date is hereby APPROVED and the license issued as of the effective date of this Consent Order, the Division's June 17, 2014 denial letter being hereby rescinded; 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

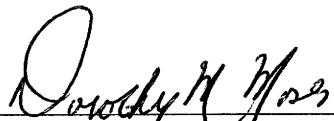
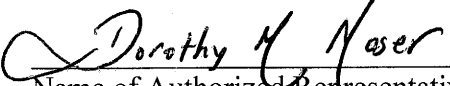
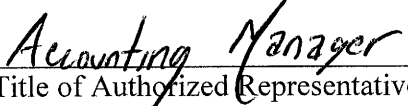
ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 9<sup>th</sup> ~~30<sup>th</sup>~~ day of July ~~June~~, 2014.

  
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Merle Scheiber, Director MK.  
South Dakota Division of Insurance

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

Dated this 30<sup>th</sup> day of June, 2014.

  
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Signature of Authorized Representative  
  
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Name of Authorized Representative  
  
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Title of Authorized Representative