

Cairns, Kelly (OIC)

From: Odiorne, Jim (OIC)
Sent: Monday, March 04, 2013 10:20 AM
To: Petersen, Patricia (OIC)
Cc: Sureau, Carol (OIC); Cairns, Kelly (OIC)
Subject: FW: Proposed Consent Order No. 13-0069

FILED

2013 MAR -4 P 1:52

Dear Judge Peterson,

Below is a request for hearing received on March 4, 2013. The hearing request is passed on to the Company/Supervisor's proposed consent order 13-0069, which has not been issued.

Hearings Unit, DIC
P.O. Box 40259
Olympia, WA 98504-0259

By copy of this email, I am asking Carol Sureau to assign a staff attorney to represent us in this matter.

James T. Odiorne, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division
Washington State Office of the Insurance Commissioner

360-725-7214 | JimO@OIC.WA.GOV | www.insurance.wa.gov

P. O. Box 40259, Olympia, WA 98504-0259

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From: Drutz, Steve (OIC)
Sent: Monday, March 04, 2013 9:27 AM
To: Odiorne, Jim (OIC)
Subject: FW: Proposed Consent Order No. 13-0069

Jim,

Please see below the request for a hearing on the consent order noted above. Please let me know if there is anything else I should do to help with this matter.

Steven E. Drutz, CPA, CFE
Senior Financial Analyst
Washington State Office of Insurance Commissioner
(360) 725-7205
E-Mail: SteveD@oic.wa.gov

From: Brian Ace [<mailto:brian.ace@kidexpert.org>]
Sent: Monday, March 04, 2013 8:09 AM
To: Drutz, Steve (OIC)
Subject: Proposed Consent Order No. 13-0069

Mr. Drutz-

Thank you for spending so much time in recent days to discuss the above consent order with me. Following conversations with yourself and Kelly Cairns, I would like to formally request a hearing to explain the circumstances

around our filing delay of the Annual Report and Actuarial Certification. Although we are not disputing that it was received after the deadline, we feel it is appropriate based on the severity of the punitive damages to request a hearing to discuss this.

I look forward to receiving information from your office regarding the date and time of this hearing.

With thanks,

Brian Ace

Executive Director

Boys & Girls Clubs of Benton and Franklin Counties

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OFFICE OF
INSURANCE COMMISSIONER

February 21, 2013

Brian Ace
Boys and Girls Club of Benton and Franklin Counties
Post Office Box 1322
Pasco, Washington 99301

RE: Proposed Consent Order No. 13-0069

Dear Mr. Ace:

Enclosed are two originals of a Consent Order imposing a fine. This Order will result in your company being required to pay a fine in lieu of other action relative to its Certificate of Exemption to issue Charitable Gift Annuities in the State of Washington.

Upon receipt from the company of both duplicate original signed Consent Orders, we will sign the documents, enter the Order, and return a fully-executed duplicate original to you. The company will then have 30 days in which to pay the fine.

If we have not received the signed documents by March 8, 2013, this offer is withdrawn and we will proceed with formal action relative to the company's Certificate of Exemption. Please direct all communications regarding this proposed order to the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Drutz", with a large circular flourish above the name.

STEVEN E. DRUTZ, CPA, CFE
Senior Financial Analyst
Company Supervision Division
360-725-7205



OFFICE OF
INSURANCE COMMISSIONER

In The Matter Of:

BOYS & GIRLS CLUB OF
BENTON AND FRANKLIN COUNTIES

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No. 13-0069

CONSENT ORDER
LEVYING A FINE

Comes Now the Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.38.050, and having reviewed the official records and files of the Office of the Insurance Commissioner, makes the following:

FINDINGS OF FACT:

1. BOYS AND GIRLS CLUB OF BENTON & FRANKLIN COUNTIES is a charitable organization registered under Chapter 48.38 RCW holding Certificate of Exemption #500376 to issue charitable gift annuities in the State of Washington.
2. BOYS AND GIRLS CLUB OF BENTON & FRANKLIN COUNTIES is required, under RCW 48.38.010(10), to submit its Annual Report and Actuarial Certification on or before October 30 for the preceding fiscal report year.
3. BOYS AND GIRLS CLUB OF BENTON & FRANKLIN COUNTIES submitted its 2012 Annual Report and Actuarial Certification on or about December 14, 2012; both items being due on or before October 30, 2012.

Based upon the foregoing Findings of Fact, the Commissioner makes the following:

CONCLUSIONS OF LAW:

1. BOYS AND GIRLS CLUB OF BENTON & FRANKLIN COUNTIES failed to meet the filing deadline as required by statute and in doing so has violated RCW 48.38.010(10).
2. RCW 48.38.050 authorizes the Insurance Commissioner to impose a fine in lieu of the suspension or revocation of an organization's certificate.

CONSENT TO ORDER:

BOYS AND GIRLS CLUB OF BENTON & FRANKLIN COUNTIES consents to entry of this Order, waives further administrative or judicial proceedings in this matter, and acknowledges its duty to comply fully with the applicable laws of the State of Washington. The Commissioner has offered a settlement in lieu of suspending or revoking the Certificate of Exemption.

By agreement of the parties, the OIC will impose a fine of \$750.00 on condition that:

1. Within thirty days, BOYS AND GIRLS CLUB OF BENTON & FRANKLIN COUNTIES pays to the OIC the full amount of the fine.
2. BOYS AND GIRLS CLUB OF BENTON & FRANKLIN COUNTIES commits no further violations of the statutes and regulations that are the subject of this Consent Order.
3. BOYS AND GIRLS CLUB OF BENTON & FRANKLIN COUNTIES voluntarily consents to this order to resolve the issues and conduct described herein and with the understanding that the payment of the amount due is a condition to avoiding suspension or revocation of the Certificate of Exemption.

EXECUTED this ____ day of _____, 2013.

BOYS & GIRLS CLUB OF
BENTON AND FRANKLIN COUNTIES

By: _____

Printed Name: _____

Typed Corporate Title: _____

ORDER OF THE INSURANCE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. BOYS AND GIRLS CLUB OF BENTON & FRANKLIN COUNTIES is ordered to pay a fine in the amount of \$750.00 upon the condition that BOYS AND GIRLS CLUB OF BENTON & FRANKLIN COUNTIES fully complies with the laws and regulations of the State of Washington which are the subject of this Order; and
2. Upon failure to pay the fine within the time limit set forth above, the sum will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington, pursuant to RCW 48.38.050.

ENTERED AT TUMWATER, WASHINGTON, this ____ day of _____, 2013.

MIKE KREIDLER,
Insurance Commissioner

By: _____
JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division