

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

FILED

2015 AUG 13 A 10:43

In the Matter of)

Docket No. 15-0088

**MUSCULAR DYSTROPHY
ASSOCIATION**

**ORDER TERMINATING
PROCEEDINGS**

HEARINGS UNIT
OFFICE OF
INSURANCE COMMISSIONER

TO: Jade Bristol-Verity
National Vice President, Legacy Gifts
Muscular Dystrophy Association, Inc.
3300 East Sunrise Drive
Tucson, AZ 85718

COPY TO: Mike Kreidler, Insurance Commissioner
James T. Odiorne, J.D., CPA, Chief Deputy Insurance Commissioner
Steven E. Drutz, Chief Financial Analyst, Company Supervision Division
Marcia G. Stickler, Insurance Enforcement Specialist, Legal Affairs Division
AnnaLisa Gellermann, Deputy Commissioner, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

On December 17, 2014, Steven E. Drutz, Chief Financial Analyst of the Office of the Insurance Commissioner ("OIC"), sent Stephen P. Evans of the Muscular Dystrophy Association, Inc. ("MDA"), a Proposed Consent Order Levying a Fine, No. 14-0239, proposing the imposition of a fine against MDA, in lieu of other administrative action, for failure to timely submit its required Annual Report and Actuarial Certification for 2013.

Via email dated April 6, 2015, Jade Bristol-Verity, Esq., MDA's National Vice President, Legacy Gifts, filed a Demand for Hearing on the proposed imposition of a fine ("Demand") on behalf of MDA. By email dated and filed April 24, 2015, Ms. Bristol-Verity supplemented MDA's Demand.

On May 21, 2015, Judge George Finkle, Presiding Officer, held a prehearing conference. The OIC was represented by Marcia G. Stickler, Attorney at Law, Insurance Enforcement Specialist in the OIC's Legal Affairs Division. MDA was represented by Ms. Bristol-Verity. In the Notice of Hearing, filed June 1, 2015, Judge Finkle set the evidentiary hearing for June 23, 2015.

In an email dated June 23, 2015, Ms. Bristol-Verity notified the Hearings Unit that MDA had reached a settlement with the OIC and that MDA was withdrawing its request for hearing. On

August 12, 2015, the OIC filed with the Hearings Unit a copy of a Consent Order Levying a Fine, No. 15-0088, executed by MDA on July 29, 2015, and the OIC on August 5, 2015. A copy of the Consent Order, which sets forth the terms of the parties' settlement agreement, is attached hereto.

Now, therefore

ORDER

By execution of the Consent Order, the parties have fully settled this Matter. This Matter is dismissed with prejudice.

Dated: August 13, 2015



WILLIAM G. PARDEE
Presiding Officer

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: Jade Bristol-Verity, Mike Kreidler, James T. Odiorne, J.D., CPA, Steven E. Drutz, Marcia Stickler, and AnnaLisa Gellermann.

DATED this 13th day of August, 2015.



KELLY A. CAIRNS

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HEARINGS UNIT
OFFICE OF
INSURANCE COMMISSIONER

**STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER**

In the Matter of

MUSCULAR DYSTROPHY
ASSOCIATION INC,

Authorizer Issuer of Charitable Gift
Annuities

Respondent.

Order No. 15-0088

WAOIC No. 242259

CONSENT ORDER LEVYING
A FINE

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington, acting pursuant to the authority set forth in RCW 48.02.060, and RCW 48.38.050, and MUSCULAR DYSTROPHY ASSOCIATION INC, Respondent. This Order is a public record and will be disseminated pursuant to Title 48 RCW and the Insurance Commissioner's policies and procedures.

BASIS:

1. Muscular Dystrophy Association Inc ("the Respondent") is a charitable organization registered under Chapter 48.38 RCW having held Certificate of Exemption #273 to issue charitable gift annuities in the state of Washington. Respondent voluntarily surrendered its Certificate of Exemption effective June 4, 2015, at which time it was in full compliance with RCW 48.38.010(10) and had no annuitants in the state of Washington.
2. The Respondent is required, under RCW 48.38.010(10), to submit its Annual Report and Actuarial Certification on or before March 1 for the preceding fiscal report year.
3. The Respondent submitted its 2013 Annual Report and Actuarial Certification on or about May 22, 2014; both items being due on or before March 3, 2014.

Consent Order Levying a Fine
Order No. 15-0088

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Olympia, WA 98504-0255

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4. The Respondent failed to meet the filing deadline as required by statute and in doing so has violated RCW 48.38.010(10).

5. RCW 48.38.050 authorizes the Insurance Commissioner to impose a fine in lieu of other action the Insurance Commissioner may take.

CONSENT TO ORDER:

The Insurance Commissioner of the state of Washington and the Respondent agree that the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Respondent consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Respondent's payment of a fine, and upon such terms and conditions as are set forth below:

1. The Respondent acknowledges its duty to comply fully with the applicable laws of the state of Washington.

2. The Respondent consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.

3. By agreement of the parties, the Insurance Commissioner will impose a fine of \$1,250.00 (One Thousand Two Hundred and Fifty Dollars), all of which shall be suspended until such time as the Respondent reapplies for a Certificate of Exemption in Washington State.

4. Failure to pay the fine upon Respondent's reapplication for a Certificate of Exemption in Washington State shall constitute grounds for denial of the Respondent's application for a Certificate of Exemption and in the recovery of the fine through a civil action brought on behalf of the insurance Commissioner by the Attorney General of the state of Washington.

5. The Respondent understands and agrees that any future failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in response to further violations.

6. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Respondent. However, the facts of this Consent Order and any provision herein does not, and is not intended to,

determine any factual or legal issue or have any preclusive effect or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this 29th day of July, 2015.

MUSCULAR DYSTROPHY ASSOCIATION INC

By: Jade Bristol Verity

Printed Name: Jade Bristol Verity

Typed Corporate Title: National Vice President,
Legacy Gifts

AGREED ORDER

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner of the state of Washington hereby Orders as follows:

1. The Respondent will pay a fine in the amount of \$1,250.00 (One Thousand Two Hundred and Fifty Dollars) upon its reapplication for a Certificate of Exemption in Washington State.
2. The Respondent's failure to pay the fine upon its reapplication for a Certificate of Exemption shall result in the denial of its application and in the recovery of the fine through a civil action brought on behalf of the insurance Commissioner by the Attorney General of the state of Washington.
3. The Respondent understands and agrees that any future failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in response to further violations.
4. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Respondent. However, the facts of this Order and any provision herein does not, and is not intended to,

determine any factual or legal issue or have any preclusive effect or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

ENTERED at Tumwater, Washington, this 5th day of August 2015.



MIKE KREIDLER
Insurance Commissioner

By and through his designee



MARCIA G. STICKLER
Insurance Enforcement Specialist
Legal Affairs Division