MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER
HEARINGS UNIT
Fax: (360) 664-2782

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Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Kelly A. Cairns
Paralegal
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NOTICE OF RECEIPT OF DEMAND FOR HEARING

To: Timothy J. Parker
Carney Badley Spellman
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010

From: Patricia D. Petersen, Chief Hearing Officer

Date: August 3, 2011

Hearing: **Request for Hearing in the Matter of ReliaMax Surety Company Order to Cease and Desist**

This is to advise you that on July 26, 2011, the Hearings Unit received and filed your Demand for Hearing, and on August 1, 2011, your Amended Demand for Hearing was received and filed.

We note that you have requested that an administrative law judge from the Office of Administrative Proceedings (OAH) conduct the hearing in this matter. Accordingly, in order to accommodate your request, administrative discretion is being used in this case to transfer the hearing file to OAH. Per our arrangement with OAH, an administrative law judge with OAH will be appointed to hear this matter and enter an Initial, or Recommended, Order. The Initial Order, together with the entire hearing file and transcript of the proceedings, will then be returned by OAH to this Hearings Unit. At that time, the entire hearing file and Initial Decision entered by OAH will be reviewed by a Review Judge, who will then enter the Final Findings of Facts, Conclusions of Law and Order in this matter. More details about this procedure appear on the attached page.

If you have any questions concerning this Notice, please contact Wendy Galloway, Administrative Assistant, Hearings Unit, at the above telephone number or address.

HEARING PROCEDURES – OFFICE OF THE INSURANCE COMMISSIONER

Depending on your Demand for Hearing and applicable statutes, you may have had two options available for the procedure by which your hearing will be conducted. These two options are as follows:

Option 1: Your hearing will be presided over by an Administrative Law Judge who handles appeals from actions of the Insurance Commissioner, pursuant to Title 34 RCW, the Administrative Procedures Act, and Title 48 RCW.. The Administrative Law Judge is an individual who, by statute, may have no prior involvement with either the facts or any issues involved in this case. The Administrative Law Judge will hear and make the final decision in the case without any communication, input or review by the Insurance Commissioner or staff or any other individual who has knowledge of the case. The Administrative Law Judge's final decision may uphold or reverse the Commissioner's action or may instead impose any penalties, which are less than those contained in the Commissioner's action.

Option 2: Your hearing may be presided over by an Administrative Law Judge from the Office of Administrative Hearings. That Administrative Law Judge will issue an initial, or recommended, decision which will then be sent to the Insurance Commissioner along with the entire hearing file. The Insurance Commissioner, or his designee, will review the entire hearing file, and the Initial Decision, make the final decision and enter a Final Findings of Facts, Conclusions of Law and Order accordingly. The Insurance Commissioner's final decision in the case may uphold, reverse or modify the initial decision, and may thereby change the penalty which is recommended in the initial decision. In writing the final decision, the Insurance Commissioner is not bound by the findings of facts or conclusions of law which were made in the initial decision.

Based upon your request in your Demand for Hearing, your hearing will be handled under Option 2 described above.

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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: Timothy J. Parker, Hearings Unit (OIC), Andrea L. Philhower (OIC)

DATED this _____ day of August 2011.

KELLY A. CAIRNS