



OFFICE OF
INSURANCE COMMISSIONER

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|------------------------------|---|---------------------------|
| In the Matter of |) | No. 10-203 |
| |) | |
| The Financial Examination of |) | FINDINGS, CONCLUSIONS, |
| JEWISH FEDERATION OF |) | AND ORDER ADOPTING REPORT |
| GREATER SEATTLE |) | OF EXAMINATION |

A Domestic Charitable Gift Annuity Issuer.

BACKGROUND

An examination of the financial condition of **JEWISH FEDERATION OF GREATER SEATTLE** (JFGS) as of June 30, 2008 was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). JFGS holds a Washington certificate of exemption to issue charitable gift annuities. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and recommendations was transmitted to JFGS for its comments on September 21, 2010. JFGS's response to the report is attached to this order only for the purpose of a more convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and the submissions by JFGS.

Subject to the right of JFGS to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 7 of the report.

JEWISH FEDERATION OF GREATER SEATTLE
Order Adopting Examination Report
November 4, 2010

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **JEWISH FEDERATION OF GREATER SEATTLE** and to order JFGS to take the actions described in the Instructions section of the report. The Commissioner acknowledges that JFGS may have implemented some of the Instructions prior to the date of this order. The Instructions in the report are appropriate responses to the matters found in the examination.

ORDER

The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

JFGS is ordered as follows, these being the Instructions contained in the examination report on pages 1 - 2.

1. JFGS is ordered to comply with reporting requirements in accordance with RCW 48.38.010(10)(a) and the OIC Annual Report Instructions and only include the exemption holder in the numbers reported to the OIC. Instruction 1, Examination Report, page 2.
2. Pursuant to RCW 48.38.020(2)(a), JFGS is ordered to maintain a separate investment account for charitable gift annuity business.

IT IS FURTHER ORDERED THAT, JFGS file with the Chief Examiner, within 90 days of the date of this order, a detailed report specifying how JFGS has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 4th day of November, 2010.



MIKE KREIDLER
Insurance Commissioner



Jewish Federation

OF GREATER SEATTLE

Connecting Jewish Lives. Strengthening Community.

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OCT 13 2010

**INSURANCE COMMISSIONER
COMPANY SUPERVISION**

Ron Leibsohn
Board Chair

Richard M. Fruchter
President & CEO

October 13, 2010

Robin Boehler*
Immediate Past
Board Chair

James T. Odiorne
Deputy Insurance Commissioner
Company Supervision Division
5000 Capitol Boulevard
Tumwater, WA 98501

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- Dan Lowen
- Naomi Newman*
- Phil Roberts
- Corey Salka
- David Stiefel*

Re: Response to Financial Examination Report of Jewish Federation of Greater Seattle – CGA as of June 30, 2008

Dear Mr. Odiorne:

In reviewing the report I received from your office, I have noticed the following issues:

1. Instructions Section – Finding #2:

While we continue to disagree with the conclusion that our funds are insufficiently segregated, we are willing to work with your office and our investment professionals to do what needs to be done to rectify this situation. What do we need to do now so that our willingness to change can be included within this report?

2. Instructions Section – Finding #3:

We disagree with your finding that we are not in compliance because we reported our investments at book value rather than market value. We reported our investments at market value.

3. Schedule 1 – Statement of Financial Position:

For 2008, we noticed that your report reduced the total net assets by approximately \$11,000 compared with the adjusted amounts we had provided to Ms. Campbell. This appears to be due to the difference between market and book values. However, the adjusted figures that we provided to Ms. Campbell for 2008 used market value (\$242,431) rather than book value, making the adjustment on page seven unnecessary and also making any additional computations, and the conclusions based on them inaccurate.

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- Herman Sarkowsky
- Ianitha Sidell*
- Rob Spitzer
- Michael Spektor
- Ernest Stiefel
- Irwin Treiger

**Rabbinic Organization
Representatives**

- Rabbi Jonathan Singer
- Albert S. Maimon

* Executive Committee

4. Financial Statements – Statement of Financial Position

For investments, your report has broken out our numbers from our audited financial statements into two categories – Investments and CGA Investments. In the column labeled Balance per Annual Report, the total of these two numbers matches with what is in our audited financial statements. However, we actually used market value in coming up with the total investments figure in our audited financial statements. Instead of \$253,676 for CGA Investments in the first column, it should say \$242,431.

Because of the unnecessary adjustment, the figures in the third column (Balance per Examination) no longer match our adjusted investments as provided during the examination. The total between the two should be \$39,332,091 but your report has numbers that total \$39,320,843. A difference of \$11,248 – which matches the amount of the adjustment, but which we believe was unnecessary since we actually used market value.

- Note: as a result, of this same unnecessary adjustment, the figure in the report for unrestricted net assets is also off by \$11,248. This same difference carries over to the total expenses in the Statement of Activities and Changes on page eight, and to that statement's calculations of the Increase (Decrease) in Net Assets and finally to the Net Assets at End of Year.

I appreciate your time and attention in ensuring that the facts and related conclusions are correctly reported. Please feel free to contact me at (206) 774-2252 or LaurenG@JewishInSeattle.org if you have any follow up questions or concerns.

Yours truly,

A handwritten signature in black ink that reads "Lauren M. Gersch". The signature is fluid and cursive, with a long horizontal line extending to the right from the end of the name.

Lauren M. Gersch
Endowment Manager