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RECEIVED

SEP 17 2013

UTAH STATE
INSURANCE DEPT.

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

FREEDOM NATIONAL INSURANCE
SERVICES, INC.
P.O. Box 7820
Newport Beach, CA 92658

License Nos. 378972 and 347373

STIPULATION AND ORDER

Docket No. 2013-118 PC

Enf. Case No. 3359



*Closed E-case -
Recorded payment in
e-case. A.*

STIPULATION

1. Respondent, Freedom National Insurance, an active non-resident Managing General Agency, insurance producer, license # 347373, in the State of

2. Respondent stipulates with the Commissioner as follows:

a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;

Save on premium and build a nest egg for healthcare expenses. Find out how at www.pehp.org/thestarplan.

b. Respondent admits the Findings of Fact and Conclusions made therefrom;

c. Respondent stipulates to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and

d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.

3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence, and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

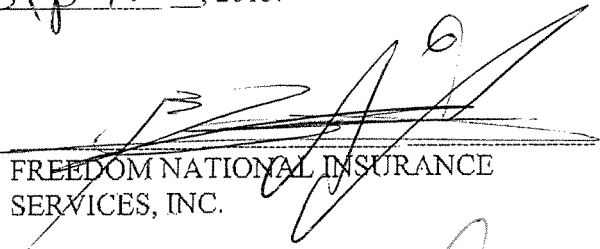
4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

7. If this agreement is not accepted or the penalty is not imposed as agreed upon by the parties, then this Stipulation will be void or of no effect.

DATED this 12TH day of Sept., 2013.


FREEDOM NATIONAL INSURANCE
SERVICES, INC.

Bijan Abdi - President/CEO


UTAH INSURANCE DEPARTMENT
M. Gale Lemmon, Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. On May 16, 2013, an intra-division referral was received detailing that Freedom National was using a name in their promotional materials and on their letterhead other than the name under which they were licensed.

2. At that time, Freedom National had only one insurance producer associated to their non-resident Managing General Agency License and their non-resident producer organization license.

3. In a letter dated May 29, 2013, the Department investigator requested copies of Respondent's letterhead, business cards, advertising, slogan, emblem or any other promotional material used or distributed in the State of Utah. Respondent was also requested to provide the names and license numbers of all insurance producers working on its behalf in the State of Utah.

4. Thereafter, Respondent took immediate steps to revise all promotional materials and claims templates to reflect their licensed name. At the same time, Respondent attempted to associate their producers to their license, but because SIRCON is set up to use a social security number as the primary identifier, Respondent had to contact each producer individually to obtain their social security number. Additional time was needed, but all producers working for Respondent had been associated by July 16, 2013.

5. Due to the immediate response by Respondent, and its timely corrective action, the Department recommended an administrative forfeiture be assessed in the amount of \$4,500.00.

6. Respondent agreed to the Department's recommended forfeiture and sent an email to

the Department on August 19, 2013, indication that \$4,500.00 had been sent.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. In using a name in the conduct of insurance business in the State of Utah other than what appears on its license, Respondent violated Utah Admin. Code Rule R590-154-7(1)(c).
2. In using a name other than the name on its license to conduct insurance business in the State of Utah, Respondent violated Utah Code Ann. § 31A-23a-402(1)(a)(I).
3. In failing to designate insurance producers to its license that were acting in its behalf in conducting insurance business in the State of Utah, Respondent violated § 31A-23a-302(1) and -302(2), and Utah Admin. Code Rule R590-244-4(1)(b).
4. The agreement between the Department and Respondent for an administrative forfeiture in the amount of \$4,500.00 is appropriate in this matter.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

ORDER

IT IS HEREBY ORDERED:

1. Respondent, Freedom national Insurance Services, Inc. is assessed an administrative forfeiture in the amount of \$4,500.00.
2. The forfeiture shall be paid to the Department within 30 days of the date of this Order.

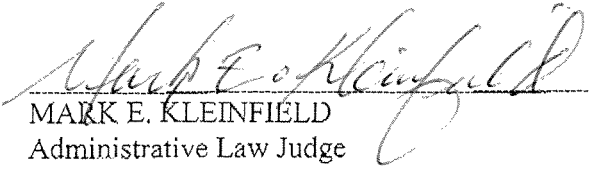
NOTIFICATION

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeiture of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

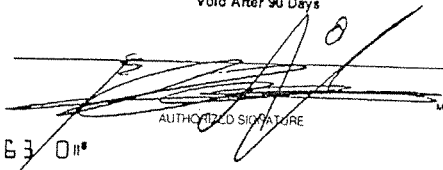
DATED this 24th day of Sept., 2013.

TODD E KISER
Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

View Check Images

Freedom National Insurance Services, Inc. Operating Account (949) 862-8400 P.O. Box 7820 Newport Beach, CA 92658		Farmers & Merchants Bank 4695 MacArthur Court, Suite 150 Newport Beach, CA 92660 90-119/1222	19731 8/19/2013
PAY TO THE ORDER OF <u>Utah Insurance Department</u>		\$ <u>4,500.00</u>	Details on Back Security Features Included
<u>Four Thousand Five Hundred Dollars And 00 Cents</u>		DOLLARS	
MEMO Utah Insurance Department State Office Bldg., STE 3110 Salt Lake City, UT 84114-6901		Void After 90 Days  AUTHORIZED SIGNATURE	
@019731 @ 22201198 01 11663 0			

PAY TO THE ORDER OF
 First Security Bank of Utah, N.A.
 SALT LAKE CITY, UTAH 84111
 > 124000012 <
 FOR DEPOSIT ONLY
 STATE OF UTAH
 INSURANCE DEPARTMENT
 #0801 INS. DEPT. ADMINISTRATION
0800008643

652230



**UTAH
Invoice**

Printed Date: September 17, 2013

Invoice Date: August 27, 2013
Balance Due: \$0.00
Due Date: September 01, 2013
Invoice ID: 652231

FREEDOM NATIONAL INS SERVICES INC
PO BOX 7820
NEWPORT BEACH CA 92658

Item Description	Amount
Monetary Penalty Agency	\$4,500.00
Original Amount Due	\$4,500.00
Payments Received	
8/27/2013 Check	\$4,500.00
Balance Due	\$0.00

**UTAH
Invoice**

Printed Date: September 17, 2013

Invoice Date: August 27, 2013
Balance Due: \$0.00
Due Date: September 01, 2013
Invoice ID: 652231

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901