

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

FEB 04 2013

INSURANCE COMMISSIONER
OKLAHOMA

In re: FORM A: Acquisition of Control of)
BANKINSURE, INC. by FJIC LLC, a wholly)
owned subsidiary of FOSTER JENNINGS, INC.)

Case No. 12-1024-TRN

FINAL ORDER

On January 29, 2012, the above matter came on for hearing and review by the Oklahoma Insurance Commissioner through his duly appointed Hearing Examiner.

The Applicant was represented by Rachel Mor, Attorney at Law, and the Oklahoma Insurance Commissioner was represented by Kelley C. Callahan, Senior Attorney. Judge Leamon Freeman was appointed by the Honorable John Doak, Oklahoma Insurance Commissioner, to act as Hearing Officer and make all determinations pertinent to the acquisition of control in BancInsure, Inc. ("BancInsure"), an Oklahoma domestic insurer. John W. McCarter, Chief Financial Analyst of the Commissioner's Office, appeared and testified on behalf of the Financial Division of the Oklahoma Insurance Department. Lisa Bays, in her role as President and Chief Executive Officer of BancInsure, appeared to testify about the information contained in the Form A Statement and other submitted documents which were the subject of the Hearing. Scott Hartman, in his role as control person of the acquiring entity and Applicant, FJIC LLC, a wholly owned subsidiary of Foster Jennings, Inc., appeared to testify about the information contained in the Form A Statement and other submitted documents which were the subject of the Hearing.

The Hearing Officer, having reviewed the Form A and all documentation relating thereto, received evidence and being fully advised in the premises, finds as follows:

JURISDICTION

1. That the Oklahoma Insurance Commissioner has jurisdiction of this matter pursuant to the provisions of the Oklahoma Insurance Code, 36 O.S. § 1651 et seq., the Oklahoma Administrative Code 365:25-7-20 et seq. and the Administrative Procedures Act, 75 O.S. §§ 250 et seq.

2. That the Hearing Examiner was properly appointed pursuant to the provisions of the Administrative Procedures Act, the Oklahoma Administrative Code and the Oklahoma Insurance Code, specifically 36 O.S. §§ 313 and 319, and Article 16 A of Title 36 of the Oklahoma Statutes in conformance with the applicable statutes, rules and regulations of the Oklahoma Insurance Commissioner.

FINDINGS OF FACT

1. That FJIC LLC (“Applicant”) submitted a Form A Acquisition Statement with the Oklahoma Insurance Commissioner on or about November 19, 2012, for the purpose of completely acquiring domestic insurer, BancInsure.

2. That the address of the Applicant is 260 Madison Avenue, 8th Floor, New York, New York 10016. FJIC LLC is a Delaware LLC and is wholly owned by its sole member, Foster Jennings, Inc., a Delaware “C” Corporation. Foster Jennings, Inc. is owned 50% by Hartman Investments, LLC, a Delaware LLC, and 50% by Avery Ellis LLC, a Delaware, LLC. Hartman Investments LLC is owned 100% by Scott Hartman as an individual and Avery Ellis LLC is

owned 100% by Andrew Scherr as an individual. That the financial statements of the Applicant and its control persons, Scott Hartman and Andrew Scherr, submitted with the application on a confidential basis were sufficient to support approval of this Form A.

3. That the proposed acquisition of the Oklahoma domestic insurer BancInsure will be effected pursuant to an arm's length Stock Purchase Agreement as contained in the Form A between the Applicant and BancInsure entered into and signed on November 9, 2012, with February 1, 2013 being the closing date. The Applicant proposes to purchase from BancInsure all of the 500,000 shares of common stock in BancInsure. Testimony at the Hearing confirmed that the Stock Purchase Agreement results by operation of law in the Applicant assuming 100% of contractual and other liabilities of BancInsure.

4. That the Oklahoma domestic insurer BancInsure has a present home office address of 5104 North Francis Avenue, Oklahoma City, Oklahoma 73118.

5. That the Applicant herein filed the required sworn biographical affidavits and had same verified by a third party verification service who reported its findings directly to the Oklahoma Insurance Commissioner's Office.

6. That the Applicant for the present plans to retain current management of BancInsure. If the Form A is granted the Directors of BancInsure will be Scott Hartman, Andrew Scherr and Lisa Bays.

6. That testimony at the January 29, 2013, Hearing was that the consideration paid by the Applicant for the sale and acquisition of the 500,000 shares of stock of BancInsure as described in the Form A Statement shall be payment of one dollar (\$1.00) plus an earn out as described in the

Form A. Additionally, because BancInsure and the Applicant have been notified by Order of the Oklahoma Insurance Department BancInsure is in hazardous financial condition, the Applicant has confirmed by supplements to its Form A and sworn testimony that :

- **On or before February 21, 2013:** BancInsure determines its authorized control level risk-based capital as of December 31, 2012 (“ACL-1”).
- **On or before March 21, 2013:** The Acquiring Party increases BancInsure’s capital to 300% of ACL-1.
- **On or before February 21, 2014:** BancInsure determines its authorized control level risk-based capital as of December 31, 2013 (“ACL-2”).
- **On or before March 21, 2014:** The Acquiring Party increases BancInsure’s capital, if necessary, to 300% of ACL-2.

CONCLUSIONS OF LAW

1. That Applicant has complied with the provisions of the Oklahoma Insurance Holding Company Act, 36 O.S. §§ 1651 et seq. That the Hearing was held pursuant to the Administrative Procedures Act, 75 O.S. §§ 250 et seq., the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq. and the promulgated Rules and Regulations of the Oklahoma Insurance Commissioner.

2. That the Oklahoma Insurance Commissioner has jurisdiction of this matter pursuant to 36 O.S. §§ 1651 et seq.

3. That the Applicant was given lawful Notice of Hearing of the date, time, place and location of the Hearing.

4. That Notice of Hearing was made or waivers of same obtained relating to all persons or entities required by 36 O.S. § 1653 (D) (2).

5. That the Hearing was recorded electronically by members of the Oklahoma Insurance Commissioner's staff pursuant to the Administrative Procedures Act.

6. That both the Insurance Commissioner's office, the Applicant and BancInsure attended the Hearing, made arguments, presented testimony and stated that they had nothing further to submit to the Hearing Examiner.

7. That based upon a preponderance of the evidence submitted at the Hearing, the Hearing Officer finds that no evidence was submitted that if the proposed acquisition is consummated, Applicant and BancInsure would not be able to satisfy the requirements for the issuance of a license to write the line or lines of business for which BancInsure is presently licensed.

8. That no evidence was submitted that the transactions described in the Form A filing, if consummated, would substantially lessen competition or tend to create a monopoly in the State of Oklahoma.

9. That no evidence was submitted that the financial condition of the Applicant should the acquisition be consummated was such that it would jeopardize the interests of present or future policyholders of BancInsure.

10. That the terms of the contemplated acquisition are fair and reasonable based upon the information contained in the Form A Statement as supplemented filed with the Insurance Commissioner and testified to at the Hearing.

11. That the contemplated future plans the Applicant intends for the Oklahoma domestic insurer, BancInsure, appear fair and reasonable and in the public interest based upon the information

contained in the Form A Statement as supplemented and filed with the Insurance Department and based on testimony at the Hearing.

12. That testimony at the Form A Hearing held on January 29, 2013 and other information submitted by Applicant indicated that neither the Applicant nor any person listed in the Form A, as supplemented, had ever been the subject of a criminal or regulatory proceeding

13. That no evidence was submitted that the competence, experience and integrity of the person or persons who will control the domestic insurer post-acquisition is such that the interests of the public or future policyholders of BancInsure will be affected adversely by the contemplated transactions described herein.

ORDER

THEREFORE, no criteria for disapproval specified in 36 O.S. §1653(d) (1) having been found, **IT IS HEREBY ORDERED** that the Application of FJIC LLC, a wholly owned subsidiary of Foster Jennings, Inc., to acquire domestic insurer BancInsure, Inc. shall be and hereby is approved effective as of February 1, 2013..

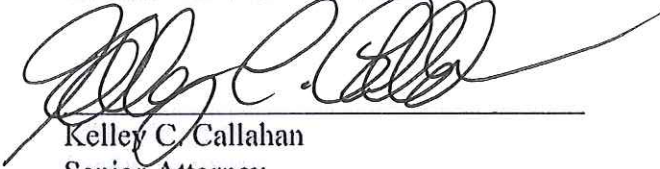
WITNESS MY HAND and Official Seal this 1st day of February, 2013.



**JOHN DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA**

By *Leamon Freeman*
**Leamon Freeman, Esq.
Hearing Officer**

APPROVED AS TO FORM:



Kelley C. Callahan
Senior Attorney
Oklahoma Insurance Department
3625 N.W. 56th, Suite 100
Oklahoma City, OK 73112
Attorney for the Oklahoma Insurance Department



Rachel Lawrence Mor
3037 NW 63rd Street
Suite 205
Oklahoma City, OK 73116
Attorney for Applicant



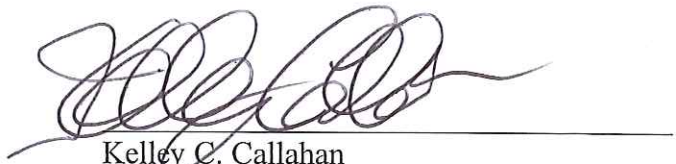
Lisa G. Bays
President and CEO
BancInsure, Inc.
5104 N. Francis Ave. Suite 101
Oklahoma City, Oklahoma 73118

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the foregoing Order was mailed on the 4th day of February, 2013, postage pre-paid to the following:

Rachel Lawrence Mor
3037 NW 63rd Street
Suite 205
Oklahoma City, OK 73116
Attorney for Applicant

Lisa G. Bays
President and CEO
BancInsure, Inc.
5104 N. Francis Ave. Suite 101
Oklahoma City, Oklahoma 73118



Kelley C. Callahan
Senior Attorney
Oklahoma Insurance Department

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<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>Rachel Lawrence Mor 3037 NW 63rd St Suite 205 OKC, OK 73116 sms/12-1024-TRN/Ord</p> </div>	<p><input checked="" type="checkbox"/> Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
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