

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

FILED
DEC 16 2013
INSURANCE COMMISSIONER
OKLAHOMA

IN RE: **FORM A: ACQUISITION OF)**
 CONTROL OF DOMESTIC)
 INSURER RED ROCK) Case No. 13-1239-TRN
 INSURANCE COMPANY.)
)
 (No Change In Control))

ORDER GRANTING NO CHANGE IN CONTROL FORM A

The State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, having reviewed the captioned request for exemption pursuant to 36 O.S. § 1653(E) involving domestic insurer Red Rock Insurance Company ("the Domestic Company") finds and orders as follows:

JURISDICTION

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma ("the Insurance Commissioner") and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., including all provisions of 36 O.S. §§ 1651 et seq. regulating insurance holding company systems.

2. In particular, the Insurance Commissioner has jurisdiction of this Form A exemption request under 36 O.S. § 1653(E) of the Oklahoma Insurance Holding Company Act, which authorizes the Insurance Commissioner to waive the hearing and approval process of an acquisition where the Insurance Commissioner finds the transaction should be exempted based on fact that it is not made or entered into for the purpose and does not have the effect of changing or influencing the control of a domestic regulated entity, or otherwise is not comprehended within the purposes of 36 O.S. § 1653.

3. The Domestic Company is an insurer authorized to conduct business in the State of Oklahoma pursuant to Certificate of Authority Number 1132 (NAIC CoCode 18538).

FINDINGS OF FACT

1. The Domestic Company is part of an insurance holding company system. It submitted a No Change of Control Form A Application dated December 3, 2013, filed on behalf of FJIC LLC and its parent company Foster Jennings, Inc. Presently, the structure of the holding company system positions Scott W. Hartman and Andrew Scherr as the ultimate control persons. Their respective companies, Hartman Investments LLC and Avery Ellis LLC, own 100% of Foster Jennings, Inc. Foster Jennings, Inc. owns 100% of FJIC LLC. FJIC LLC owns 100% of the domestic company Red Rock Insurance Company.

2. Avery Ellis LLC wishes to sell its shares to Foster Jennings, Inc. and Foster Jennings, Inc. wishes to repurchase the shares of Avery Ellis LLC, pursuant to the terms of a Stock Repurchase Agreement submitted with the Application to the Insurance Commissioner. This transaction will eliminate Avery Ellis LLC as an entity within the holding company system and will eliminate Andrew Scherr as an ultimate control person.

3. Following this proposed transaction, Scott W. Hartman will solely retain the ultimate control person position. His company Hartman Investments LLC will own 100% of Foster Jennings, Inc. Foster Jennings, Inc. will continue to own 100% of FJIC LLC. FJIC LLC will continue to own 100% of the domestic company Red Rock Insurance Company.

4. The stock repurchase transaction will result in a technical change of control of the Domestic Company, but this change will not have any affect on the business operations, management, net worth or financial status of the Domestic Company. The transaction will not materially change the control persons of the Domestic Company.

5. The Insurance Commissioner finds that such transfer does not represent a change of control in the Domestic Company and recommends approving this Form A as exempt under 36 O.S. § 1653(E).

CONCLUSIONS OF LAW

1. The Insurance Commissioner has jurisdiction of this Form A exemption request under 36 O.S. § 1653(E) of the Oklahoma Insurance Holding Company Act which authorizes the Insurance Commissioner to waive the hearing and approval process of an acquisition where he finds the transaction should be exempt because it is not made or entered into for the purpose and does not have the effect of changing or influencing the control of a domestic insurer, or otherwise is not comprehended within the purposes of 36 O.S. § 1653.

2. The Insurance Commissioner further finds and concludes as a matter of law, based on the information and the documentation filed by the Domestic Company, that the transaction described and outlined in the Form A submission is not made or entered into for the purpose and does not have the effect of changing or influencing control of the Domestic Company.

ORDER

IT IS THEREFORE ORDERED, based on the foregoing, that the request of the Domestic Company, for an exemption pursuant to 36 O.S. § 1653(E) as described in the Applicant’s filings and documents presented **IS HEREBY APPROVED** without hearing.

WITNESS My Hand and Official Seal this 16th day of December, 2013.



PAUL WILKENING
Chief Deputy Insurance Commissioner
Oklahoma Insurance Department


CERTIFICATE OF MAILING

I, Julie Meaders, hereby certify that a true and correct copy of the above foregoing document was mailed postage prepaid with return receipt requested on this 16th day of December, 2013, to:

Lisa G. Bays, Esq.
President and CEO
Red Rock Insurance Company
5104 N. Francis Avenue
Suite 101
Oklahoma City, OK 73118

Certified Mail No.
7001 0320 0004 4249 5500

And a copy was delivered to John McCarter, Chief Financial Analyst, Oklahoma Insurance Department Financial and Examination Division



Julie Meaders
Deputy General Counsel

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

7001 0320 0004 4249 5500

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To
 Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4

Red Rock Insurance Company
 ATTN: Lisa G. Bays, Esq.
 President and CEO
 5104 N. Francis Ave., Suite 101
 Oklahoma City, OK 73118
 rlg/13-1239-TRN/Ord. Granting

PS Form 3800, January 2001

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Red Rock Insurance Company
 ATTN: Lisa G. Bays, Esq.
 President and CEO
 5104 N. Francis Ave., Suite 101
 Oklahoma City, OK 73118
 rlg/13-1239-TRN/Ord. Granting

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 x *Tonya Herring* Addressee

B. Received by (Printed Name) *Tonya Herring* C. Date of Delivery *12-17*

D. ~~RECEIVED~~ address different from item 1? Yes
 address below: No

OKLAHOMA INSURANCE DEPARTMENT

DEC 19 2013

Legal Division

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label)

7001 0320 0004 4249 5500

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540