

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

**FILED**  
JUL 02 2014  
INSURANCE COMMISSIONER  
OKLAHOMA

In re: Form A - Acquisition of Control of )  
**Individual Assurance Company, Life,** )  
**Health & Accident**, an Oklahoma domestic ) **Case No. 14-0552-TRN**  
Insurer, by James L. Harlin and Bramante )  
Investments, LLC. )

**FORM A ORDER**

On the second (2<sup>nd</sup>) day of July, 2014, the above matter came for hearing and review by the Oklahoma Insurance Commissioner through his duly appointed Hearing Examiner.

The Applicant was represented by J. Angela Ables of the law firm of Kerr, Irvine, Rhodes and Ables, Oklahoma City, Oklahoma and the Oklahoma Insurance Commissioner was represented by Julie Meaders, Deputy General Counsel. The Honorable John Miller was appointed by the Honorable John Doak, Oklahoma Insurance Commissioner, for the purpose of acting as Hearing Officer and making all determinations pertinent to the acquisition of control of Individual Assurance Company, Life, Health & Accident (hereinafter "IAC"), an Oklahoma domestic life, accident and health 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 and Diane Carter, Financial Analyst, also participated representing the financial division of the Commissioner's Office. James L. Harlin, the Applicant and member of Bramante Investments, LLC appeared to

testify as to the information contained in the Form A Statement which was 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, the Oklahoma Administrative Code 365:25-7-20 et seq. and the Administrative Procedures Act, 75 O.S. Section 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. 2014 §§ 313 and 319, and Article 16 A of Title 36 in conformance with the applicable statutes and rules and regulations of the Oklahoma Insurance Commissioner.

### **FINDINGS OF FACT**

1. That James L. Harlin by and through Bramante Investments, LLC (referred to collectively as "Applicant") filed a Form A Acquisition Statement with the Oklahoma Insurance Commissioner on or about May 27, 2014, for the purpose of receiving approval as a "control" person of IAC due to the acquisition of 75.33% interest in IAC Group, Inc., the holding company of IAC bringing his total ownership in the holding company to 100.00%.

2. That the address of the Applicant is as follows:

Home Address: 1501 Deason Drive, Edmond, Oklahoma 73013

Principal Office Address: 3200 E. Memorial Road, Edmond, OK 73013

3. That the proposed acquisition of the Oklahoma domestic insurer will be effected pursuant to a sale of stock by the following shareholders of IAC Group, Inc.:

David A. Dillon	24.6667%
Kane Trust	24.6667%
Peter Mavrogenes	9.9900%
Reedy Trust	9.9900%
Thomas M. Cumbo	4.9844%
Tony Pervan	1.0356%

4. That post-acquisition, the Oklahoma insurer will continue to operate in the same manner as it does presently and no change in officers or directors will occur.

5. That the Oklahoma domestic insurer has a present home office address of 3200 E. Memorial Road, Edmond, Oklahoma 73013.

6. That the Applicant heretofore had filed a sworn biographical affidavit and had same verified by a third party verification service who reported directly to the Oklahoma Insurance Commissioner's Office of its findings within 4 months of this filing and said information remains correct and up to date as of this Form A filing.

7. That testimony at the Hearing was that the consideration for the sale and acquisition of the stock to be acquired by Applicant in the holding company described in the Form A Statement

was a total of two million five hundred thousand dollars (\$2,500,000.00) plus the net proceeds from the sale of the Kansas Home Office building for an amount not greater than one million two hundred thirty one thousand dollars (\$1,231,000.00).

8. That prior to this Form A Statement and hearing, the ownership of the holding company was owned by the shareholders listed hereinabove at Finding of Fact # 3 plus Applicant's ownership of 24.6667% and Highland Financial Company, an affiliate of the Domestic insurer owned 21.8750%.

9. Highland Financial Company's ownership in the holding company will be distributed back to Highland Financial Company and said shares will be cancelled as a result of this transaction.

10. That after the acquisition described in the Form A, the Applicant would acquire 100% of the outstanding shares in IAC Group, Inc.

11. That the only individual exceeding the ten percent (10%) rebuttable presumption of control post-transaction will be James L. Harlin through his family limited liability company, Bramante Investments, LLC.

12. That testimony at the Form A Hearing and other information submitted by Applicant indicated that Applicant had never been the subject of a criminal or regulatory proceeding.

13. That the financial statements of the Applicant were filed with the Oklahoma Insurance Department and reviewed by the Insurance Department staff as required by the Form A statutes set forth in the Oklahoma Insurance Code, 36 O.S. Supp. 2014, Section 1653.

#### **CONCLUSIONS OF LAW**

1. That Applicant has complied with the provisions of the Oklahoma Insurance Holding Company Act, 36 O.S. Supp. 2014 §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 on June 23, 2014, setting the date, time, place and location of the Hearing.

4. That Waivers of Notice of Hearing were filed by the Applicant herein. Waivers were also filed by IAC, the Oklahoma domestic insurer and its parent holding company, IAC Group, Inc.

5. That the Hearing was recorded electronically by members of the Oklahoma Insurance Commissioner's staff pursuant to the Administrative Procedures Act and a full stenographic record was requested by the Applicant which the Hearing Examiner designated as the official record of the Hearing.

6. That both the Insurance Commissioner's office and the Applicant 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 after the proposed acquisition, the Oklahoma domestic insurer, Individual Assurance Company, Life, Health & Accident, would not be

able to satisfy the requirements for the issuance of a license to write the line or lines of business for which it is presently licensed.

8. That no evidence was submitted that the transactions described in the Form A filing 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 was such that it would jeopardize the interests of present or future policyholders of IAC.

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

11. That the future plans the Applicant intends for the Oklahoma domestic insurer appear to be fair and reasonable and in the public interest based upon the information contained in the Form A Statement as filed with the Insurance Department and as testified at the Hearing by Applicant.

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

### **ORDER**

**THEREFORE**, no criteria for disapproval specified in 36 O.S.2014 §1653(d) (1) having been found, **IT IS HEREBY ORDERED** that the Application of James L. Harlin by and through Bramante Investments, LLC, to acquire Individual Assurance Company, Life, Health & Accident, shall and hereby is **APPROVED** effective as of the date of the Hearing set forth herein above.

WITNESS MY HAND and official seal this 2<sup>nd</sup> day of July, 2014.



**JOHN DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA**

By *John D. Miller*  
**John D. Miller, Esq.**  
~~Hearing Officer~~

**APPROVED AS TO FORM:**


*Julie Meaders*  
Julie Meaders, Esq.  
Deputy General Counsel  
Oklahoma Insurance Commissioner's Office

*J. Angela Ables*  
J. Angela Ables, Esq.  
Kerr, Irvine, Rhodes and Ables  
Attorney for Applicant

**CERTIFICATE OF MAILING**

I hereby certify that a true and correct copy of the foregoing Order was hand-delivered on the 2nd day of July, 2014, postage pre-paid to the following:

J. Angela Ables  
Attorney for Applicant  
Kerr, Irvine, Rhodes and Ables, P.C.  
201 Robert S. Kerr, Suite 600  
Oklahoma City, Oklahoma 73102

  
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Julie Meaders, Deputy General Counsel  
Oklahoma Insurance Commissioner's Office