



knowingly and freely waived said rights and enters into this Consent Order as a voluntary settlement to the issues and questions raised in the above captioned case.

### **STIPULATION OF FACTS**

1. Pursuant to 36 O.S. 2122(A), “[a] domestic stock insurer shall not pay any ordinary cash dividend to stockholders except out of that part of its available surplus funds which is derived from realized net profits on its business.”

2. Respondent admits to paying cash dividends to its sole stockholder out of negative, unassigned surplus in violation of 36 O.S. § 2122(A). Said payment was made to infuse Respondent’s sole stockholder with funds with which to pay interest on borrowed funds, which borrowed funds were used in substantial part to provide additional capital to Respondent. As of the date of this Consent Order, Respondent has taken steps to ensure that this violation will not occur in the future.

3. Respondent and the Oklahoma Insurance Department mutually agree to enter into this Consent Order to resolve the matter in lieu of a hearing.

### **CONCLUSIONS OF LAW**

1. Respondent violated 36 O.S. § 2122(A) by paying cash dividends to its sole stockholder out of funds other than available surplus funds derived from realized net profits of its business.

### **ORDER AND CONSENT**

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** by the Insurance Commissioner and agreed to by Respondent that is hereby **CENSURED** for violations of 36 O.S. § 2122(A).

WITNESS My Hand and Official Seal on this 13<sup>th</sup> day of February, 2017.



James A. Mills  
James A. Mills  
Chief of Staff

**VERIFICATION AND CONSENT**

I, Stephen Pate, President of American Resources Insurance Company, Inc. ("Respondent"), state that I have read this Consent Order. The contents and facts set forth in the order are true to the best of my knowledge. On behalf of Respondent, and as such officer, I consent to the entry of the Order by the Insurance Commissioner and acknowledge that Respondent hereby waives its right to appeal this Order.

Stephen G. Pate  
STEPHEN G. PATE, President

STATE OF ALABAMA  
COUNTY OF Mobile

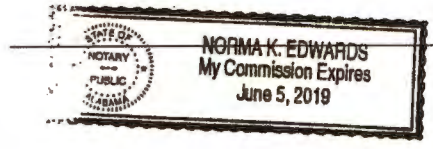
This instrument was acknowledged before me on Feb. 13<sup>th</sup> 2017 by  
STEPHEN G. PATE, President of American Resources Insurance Company, Inc..

Norma K. Edwards  
Signature of Notarial Officer

Seal

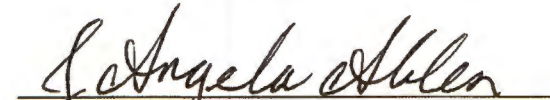
Notary Public  
Title

My commission expires:



APPROVED:

Barron B. Brown  
Barron B. Brown  
Assistant General Counsel

  
\_\_\_\_\_  
J. Angela Ables  
Counsel for Respondent

**CERTIFICATE OF MAILING**


I, Barron B. Brown, hereby certify that a true and correct copy of the above and foregoing Consent Order was mailed by electronic mail and by certified mail, with postage prepaid and return receipt requested, on this 22<sup>nd</sup> day of February, 2017, to:

J. Angela Ables  
*Counsel for Respondent*  
Kerr, Irvine, Rhodes & Ables, P.C.  
201 Robert S. Kerr Ave., Suite 600  
Oklahoma City, OK 73102  
[aables@kiralaw.com](mailto:aables@kiralaw.com)

Certified Mail No.  
7016 0910 0000 8401 6377

and that a copy was delivered to:

NAIC/RIRS

  
\_\_\_\_\_  
Barron B. Brown  
Assistant General Counsel



**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

Certified Mail Fee  
 \$ \_\_\_\_\_

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_



Postage  
 \$ \_\_\_\_\_

Total Postage and Fees  
 \$ \_\_\_\_\_

Sent To  
 \_\_\_\_\_

Street and Apt. No., or PO Box  
 \_\_\_\_\_

City, State, ZIP+4®  
 \_\_\_\_\_

Kerr, Irvine, Rhodes and Ables, P.C.  
 ATTN: J. Angela Ables, Esq.  
 201 Robert S. Kerr Ave., Suite 600  
 Oklahoma City, OK 73102-4267  
 rlg/17-0092-DIS(BBB)/Consent Ord

PS Form 3800, April 2015 PSN

7016 0910 0000 8401 6377

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature X <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	B. Received by (Printed Name) Kristi Kerchee	C. Date of Delivery 2-23-16
1. Article Addressed to: Kerr, Irvine, Rhodes and Ables, P.C. ATTN: J. Angela Ables, Esq. 201 Robert S. Kerr Ave., Suite 600 Oklahoma City, OK 73102-4267 rlg/17-0092-DIS(BBB)/Consent Ord	D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, enter delivery address below:	
2. Article Number (Transfer from service label) 7016 0910 0000 8401 6377	RECEIVED OKLAHOMA INSURANCE DEPARTMENT FEB 27 2017 Legal Division	
	3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
		<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt

