

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO: 17038-AG18-0326-040

IN THE MATTER OF:)
)
Lone Rock Capital Partners, LLC)
10 E. Doty St., Ste 800)
Madison, WI 53703-5105)
)
Respondent.)
)
Type of Agency Action: Enforcement)
)
License Number: 3179675 and)
3177530 (surplus lines))

FILED

JUN 28 2018

STATE OF INDIANA
DEPT. OF INSURANCE

FINAL ORDER

The Indiana Department of Insurance (“Department”), by its counsel, Erica J. Dobbs, and Lone Rock Capital Partners, LLC (“Respondent”), a nonresident insurance agency licensed to do business in Indiana, signed an Agreed Entry which purports to resolve all issues in the above-captioned matter, and which has been submitted to the Commissioner of Insurance (“Commissioner”) for approval.

The Commissioner, after reviewing the Agreed Entry, which permanently revokes Respondent’s producer license and surplus lines license due to the cessation of operations by Respondent following alleged embezzlement by Respondent’s Chief Operating Officer, finds it has been entered into fairly and without fraud, duress or undue influence, and is fair and equitable between the parties. The Commissioner hereby incorporates the Agreed Entry as if fully set forth herein, and approves and adopts in full the Agreed Entry as a resolution of this matter.

IT IS THEREFORE ORDERED by the Commissioner of Insurance:

1. Respondent's Indiana nonresident producer license #3179675 shall be permanently revoked.
2. Respondent's surplus lines license #3177530 shall be permanently revoked.
3. The Department agrees to accept this agreement as full resolution of this matter.

ALL OF WHICH IS ORDERED this 28 day of June, 2018.

A large, stylized handwritten signature in black ink, appearing to read "Stephen W. Robertson". The signature is written over a horizontal line.

Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

Erica J. Dobbs, Attorney
ATTN: Dennis Wood, Sr. Insurance Investigator
INDIANA DEPARTMENT OF INSURANCE
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Desiderio Ramos
Chairman and Chief Executive Officer
Lone Rock Capital Partners, LLC
10 E. Doty St., Ste 800
Madison, WI 53703-5105

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AGREED ENTRY

This Agreed Entry is executed by and between the Enforcement Division of the Indiana Department of Insurance ("Department"), by counsel Erica J. Dobbs, and Lone Rock Capital Partners, LLC ("Respondent"), a nonresident insurance agency licensed to do business in Indiana, to resolve all issues in the above captioned matter. This Agreed Entry is subject to the review and approval of Stephen W. Robertson, Commissioner of the Indiana Department of Insurance ("Commissioner").

WHEREAS, Respondent is a nonresident insurance agency licensed to do business in Indiana, holding license numbers 3179675 and 3177530 (Surplus Lines);

WHEREAS, Respondent is unable to continue in business due to the alleged embezzlement of agency funds by Michael Morman, who was Respondent's Chief Operating Officer;

WHEREAS, the funds alleged to have been embezzled by Morman were, at least in part, comprised of premiums collected but never applied to coverage;

WHEREAS, two Indiana concerns were affected by Respondent's inability to continue in business – Bondar Insurance Group ("Bondar") and K. & S Engineers ("K&S"). Bondar is K&S's agent;

WHEREAS, Bondar advises that the carrier to which coverage for K&S had been applied, and for which premium was paid to Respondent, supplied the requested coverage free of additional charge after being apprised of the incident, thereby making K&S and Bondar whole. No premium or coverage loss has occurred for the only affected Indiana entities;

WHEREAS, Respondent has no intention of continuing in the insurance business in Indiana;

WHEREAS, Indiana Code § 27-1-15.6-12(b)(8) states, in part, that the Commissioner may permanently revoke a producer's license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Indiana or elsewhere;

WHEREAS, Respondent has been advised of his right to an administrative hearing before a Department administrative law judge;

WHEREAS, Desiderio Ramos, Respondent's Chairman and Chief Executive Officer, is authorized to act on behalf of Respondent and obligate it to perform in accordance with this agreement; and

WHEREAS, the Department and Respondent (collectively, the "Parties") desire to resolve their differences and settle the issues without the necessity of an administrative hearing.


IT IS THEREFORE NOW AGREED by and between the Parties as follows:


1. The Commissioner has jurisdiction over the subject matter and the Parties in this Agreed Entry.

2. This Agreed Entry is executed voluntarily by the Parties.
3. Respondent voluntarily and freely waives its right to a public hearing on this matter.
4. Respondent voluntarily and freely waives its right to judicial review of this matter.
5. Respondent agrees to a permanent revocation of its Indiana producer's license and surplus lines license effective immediately upon the Commissioner adopting this Agreed Entry.
6. The Department agrees to accept Respondent's compliance with the terms of this Agreed Entry herein as full satisfaction of this matter.
7. Respondent, by counsel, has carefully read and examined this Agreed Entry and fully understands its terms.
8. Respondent has entered into this Agreed Entry freely, and has not been subject to duress, threat or undue influence.
9. Should this Agreed Entry not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Entry by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation in or resolution of these proceedings.
10. Respondent is aware that failure to comply with any term of this agreement will result in the matter being set for hearing.

6/26/18
Date Signed

6/22/18
Date Signed


Erica J. Dobbs (#30588-49)
Indiana Department of Insurance


Desiderio Ramos, Chairman and Chief Executive Officer
Lone Rock Capital Partners, LLC

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Sacramento)

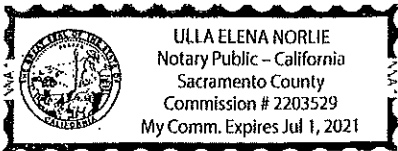
On 06/22/18 before me, Ulla Elena Norlie, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Desiderio Ramos Jr
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Ulla Elena Norlie
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

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 Other: _____
Signer Is Representing: _____