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INSURANCE DEPARTMENT

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ADMIN HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
FIRST CATHOLIC SLOVAK UNION	:	40 P.S. §991.2459(a)
OF THE UNITED STATES OF	:	
AMERICA AND CANADA	:	
6611 Rockside Road	:	
Independence, OH 44131	:	
	:	
	:	
Respondent.	:	Docket No. CO16-02-016

CONSENT ORDER

AND NOW, this 30<sup>th</sup> day of March, 2016, this Order is hereby issued by the Insurance Department of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that it has received proper notice of its rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa. C.S. §101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

### FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following Findings of Fact:

- (a) Respondent is First Catholic Slovak Union of the United States of America and Canada, and maintains its address at 6611 Rockside Road, Independence OH 44131.
- (b) Respondent is, and at all times relevant hereto has been, a licensed fraternal benefit society.
- (c) Financial Secretary, Vicki Schaub, for Branch 200, sold 44 insurance policies from February 2011 through November 2015 without being licensed.

- (d) On November 9, 2015, Respondent, through Executive Secretary, Kenneth Arendt, affirmed Vicki Schaub received commissions known as “referral fees”.
- (e) On December 7, 2015, Kenneth Arendt affirmed he knew Vicki Schaub was not licensed.
- (f) On December 18, 2015, Arendt provided 44 applications and policies sold by Schaub from 2011 through 2015.
- (g) Vicki Schaub, as of November 15, 2015, is now a licensed resident producer.

#### CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.

- (b) 40 P.S. §991.2459(a) states producers of societies shall be licensed in accordance with the insurance laws regulating the licensing, revocation, supervision or termination of license of resident and nonresident producers;
- (c) Respondent's activities described above in paragraph 3(c) violate 40 P.S. §991.2459(a).
- (d) Respondent's violations of Section 991.2459(a) are punishable by the following, under 40 Purdon's Statutes, Section 991.2464: a person who willfully neglects or refuses to comply with the provisions of this article for which a penalty is not otherwise prescribed commits a summary offense and shall, upon conviction, be sentenced to pay a fine of not more than \$500. Upon satisfactory evidence of a violation of any provision of this article, the commissioner has the discretion, in lieu of seeking criminal prosecution, to pursue any one or more of the following courses of action:
- (1) Suspend or revoke or refuse to renew the license of the offending party or parties.
  - (2) Impose a civil penalty of not more than \$5,000 for each act in violation of the provisions of this article.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
  
- (b) Respondent shall pay a civil penalty of One Thousand Dollars (\$1,000.00) to the Commonwealth of Pennsylvania. Payment of this penalty shall be made by certified check or money order, payable to the Commonwealth of Pennsylvania. Payment should be directed to Bureau of Licensing and Enforcement, 1227 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment may be enclosed with the Consent Order, but must be paid in any event no later than fourteen (14) days after the date of the Consent Order.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law; or, if applicable, the

Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, the Insurance Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

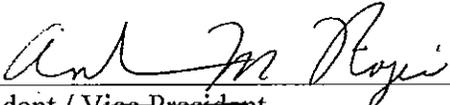
9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

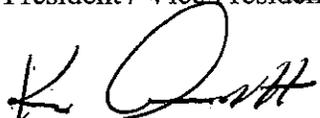
10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or the duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violation of law

contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or the duly authorized delegee.

BY: FIRST CATHOLIC SLOVAK UNION  
OF THE UNITED STATES OF  
AMERICA AND CANADA,  
Respondent

  
\_\_\_\_\_  
President / ~~Vice President~~

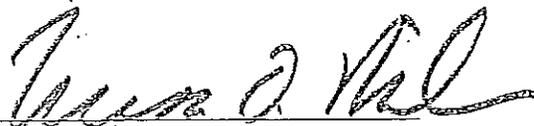
  
\_\_\_\_\_  
Secretary / ~~Treasurer~~

  
\_\_\_\_\_  
CHRISTOPHER R. MONAHAN  
Deputy Insurance Commissioner  
Commonwealth of Pennsylvania

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: The Act of April 9, 1929, P.L. 177, No. 175, known as The  
Administrative Code of 1929

AND NOW, this 13<sup>th</sup> day of November, 2015, Christopher R. Monahan,  
Deputy Insurance Commissioner, is hereby designated as the Commissioner's duly  
authorized representative for purposes of entering in and executing Consent Orders. This  
delegation of authority shall continue in effect until otherwise terminated by a later Order  
of the Insurance Commissioner.



Teresa D. Miller  
Insurance Commissioner

