

BRETT O'NEIL
Office of the Commissioner of Securities and Insurance
Montana State Auditor (CSI)
840 Helena Avenue
Helena, MT 59601
(406) 444-2040
Bo'neil@mt.gov

Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE STATE AUDITOR
STATE OF MONTANA**

IN THE MATTER OF)	CASE NO. INS-2011-241
)	
PAYNE FINANCIAL GROUP, INC.,)	CONSENT AGREEMENT AND
)	FINAL ORDER
Respondent.)	
)	
)	

This Consent Agreement and Final Order (Agreement) is entered into by the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), acting pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101, et seq. (Code), and Payne Financial Group, Inc. (Respondent).

RECITALS

WHEREAS, the CSI received a consumer complaint regarding a health care policy the Respondent produced;

WHEREAS, the CSI alleged Respondent violated Mont. Code Ann. § 33-18-208(2) 2009; and

WHEREAS, the CSI and the Respondent agree that the best interests of the public would be served by entering into this Agreement;

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the CSI and the Respondent hereby agree to settle this matter pursuant to the following terms and conditions:

STIPULATIONS AND CONSENTS

I. Without admitting or denying any of the CSI's allegations, the Respondent stipulates and consents to the following:

A. Within ten days from the execution of this Agreement, the Respondent shall pay restitution to the persons named in Appendix 1.

B. The Respondent shall perform an internal evaluation and make any changes necessary to retrain its staff. Following this evaluation, the Respondent shall identify any other issues similar to the ones raised by the CSI in this agreement and take corrective action. No penalty shall be imposed for similar violations reported by the Respondent within three months of the signing of this agreement.

C. The Respondent shall comply with the terms and conditions of this Agreement, the Insurance Code, and all other regulations of the state of Montana.

D. The Respondent fully and forever releases and discharges the Commissioner of Securities and Insurance (Commissioner), the CSI, and all of the CSI's employees and agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this Agreement.

E. The Respondent specifically and affirmatively waives a contested case hearing and all rights to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101, et seq., and elects to resolve this matter on the terms and conditions set forth herein.

II. All parties to this Agreement stipulate and consent as follows:

A. The Commissioner and the CSI have jurisdiction over the subject matter of the above-entitled proceeding.

B. Under authority of the Insurance Code, the CSI hereby agrees that it will not initiate any civil or administrative action against the Respondent regarding the allegations contained in this action.

C. This Agreement is entered without adjudication of any issue, law or fact. It is entered into solely for the purpose of resolving the CSI's allegations and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not limit or create any private rights or remedies against the Respondent including limit or create liability of Respondent, or limit or create defenses of Respondent, to any claims.

D. The applicable statute of limitation, Mont. Code Ann. § 33-1-318, is tolled for two years from the date of execution of this Agreement with regard to the allegations set forth above. In the event Respondent violates the terms of this Agreement at any time during the two-year tolling period, the CSI reserves the right to seek additional fines.

E. This Agreement constitutes the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by the CSI

or by any member, officer, agent or representative of the CSI to induce Respondent to enter into this Agreement.

F. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing to be effective.

G. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner herein.

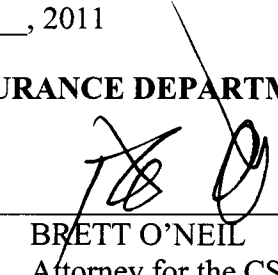
H. This Agreement shall be effective upon signing of the Final Order.

I. The Agreement is a public record under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 24th day of October, 2011

INSURANCE DEPARTMENT


By: _____


BRETT O'NEIL
Attorney for the CSI

DATED this 21 day of October, 2011

PAYNE FINANCIAL GROUP, INC.

By: _____


Its: Vice President / General Counsel

FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and § 33-1-101, et seq.,
and upon review of the foregoing Consent Agreement and good cause appearing,

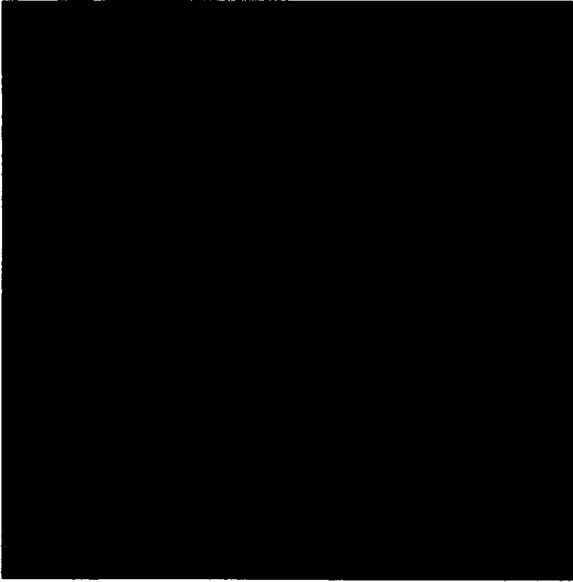
IT IS HEREBY ORDERED that the foregoing Consent Agreement between the CSI and
Respondent Payne Financial Group, Inc. is adopted as if set forth fully herein.

DATED this 14TH day of DECEMBER, 2011.

MONICA J. LINDEEN
Commissioner of Securities and Insurance,
Montana State Auditor

By: ROBERT W MOON
ROBERT MOON
Deputy Insurance Commissioner

cc. Brett O'Neil
Chuck Turner



Appendix 1

\$511.00

\$603.00

\$298.00