STATE OF TEXAS

COUNTY OF TRAVIS

The Commissioner of Insurance, as the chief administrative and executive officer and custodian of records of the Texas Department of Insurance has delegated to the undersigned the authority to certify the authenticity of documents filed with or maintained by or within the custodial authority of the Office of the Chief Clerk of the Texas Department of Insurance, excluding records relevant to an inquiry, if any, by the Texas Department of Insurance's Insurance Fraud Unit.

Therefore, I hereby certify that the attached document is a true and correct copy of the document described below. I further certify that the document described below is filed with or maintained by or within the custodial authority of the Office of the Chief Clerk of the Texas Department of Insurance.

The certified document consists of a complete copy of:

Official Order No. 09-0660 of the Commissioner of Insurance of the State of Texas, dated August 13, 2009 consisting of five (5) pages;

Subject considered:

STEVEN L THOMAS AGENCY, INC.
The Colony, Texas

ORDER CREATING
STATE OF SUPERVISION AND APPOINTING SUPERVISOR

This certification does not include records relevant to an inquiry, if any, by the Texas Department of Insurance's Insurance Fraud Unit which are confidential pursuant to Tex. Ins. Code art. §701.151, §5(a) and an Op. Tex. Att'y Gen. No. OR95-1536 (1995).

IN TESTIMONY WHEREOF, witness my hand and seal of office at Austin, Texas, this

13th day of August A.D. 2009

MIKE GEESLIN
COMMISSIONER OF INSURANCE

By
Angela Arizpe
Executive Assistant
Texas Department of Insurance
OFFICIAL ORDER
of the
COMMISSIONER OF INSURANCE
of the
STATE OF TEXAS
AUSTIN, TEXAS

Date: AUG 13 2009

Subject Considered:

STEVEN L THOMAS AGENCY INC
The Colony, TX

ORDER CREATING
STATE OF SUPERVISION AND APPOINTING SUPERVISOR

General Remarks and official action taken:

On this day, the Commissioner of Insurance ("Commissioner") considered whether the STEVEN L THOMAS AGENCY INC, dba Thomas Insurance, Star Insurance Services of Texas Inc, FCISTX, First Commercial Insurance, First Commercial Insurance Services, and First Commercial Insurance Services of Texas, The Colony, Texas ("RESPONDENT") should be placed under supervision under TEX. INS. CODE ANN. Ch. 441 and in conjunction with all other applicable laws.

RESPONDENT is engaging in the business of insurance in this state. RESPONDENT is an "insurer" as that term is defined in TEX. INS. CODE ANN. §§441.002 and as that term applies and is anticipated by TEX. INS. CODE ANN. §441.003.

Based on current circumstances, it appears to the Commissioner that RESPONDENT’s condition is such as to render the continuance of its business hazardous to the public and that Respondent has failed to comply with certain applicable law. The Commissioner has based his opinion, in part, on the following: (a) RESPONDENT appears to be insolvent; (b) RESPONDENT failed to remit or timely remit premium to insurers; (c) RESPONDENT used premium received by RESPONDENT’s clients to pay premiums for RESPONDENT’s other clients; (d) RESPONDENT is unable to pay its obligations as they become due and payable; (e) RESPONDENT has failed to maintain uniform and consistent access to its records for review by the Department’s examiners; and (f) RESPONDENT’s management does not appear to have the experience, competence, or trustworthiness necessary to operate the business in a safe and sound manner.
Based on current information, the Commissioner believes that the circumstances of RESPONDENT’s condition warrant the protection of RESPONDENT’s assets pending determination of whether RESPONDENT can successfully be rehabilitated, which could include the filing of a petition for bankruptcy. As a result, the Commissioner has determined RESPONDENT should be placed under supervision.

THEREFORE, the Commissioner ORDERS that RESPONDENT be placed under this supervision in accordance with the provisions of TEX. INS. CODE ANN. Ch. 441, in conjunction with all other applicable laws and, consequently, that he apply and effect the provisions of TEX. INS. CODE ANN. Ch. 441.104, including the authority to disburse, transfer, or substitute RESPONDENT’s assets, in conjunction with all other applicable laws. The Commissioner hereby appoints Angel Garrett to act as Supervisor of RESPONDENT.

The Commissioner FURTHER ORDERS that during the period of supervision RESPONDENT shall not do any of the following acts without the prior written approval of the Commissioner or the Supervisor, or their successors:

1. dispose of, convey, or encumber any assets, property, or business in force;

2. withdraw funds from any bank accounts;

3. lend or invest any funds or assets;

4. transfer any assets or property;

5. incur any debt, obligation or liability, either direct or contingent;

6. merge or consolidate with any other company;

7. terminate, surrender, forfeit, convert, or lapse any policy or contract of insurance, except for nonpayment of premiums due; or

8. release, pay, or refund premium deposits, accrued cash or loan values, unearned premiums or other reserves on an insurance policy or contract.

The Commissioner FURTHER ORDERS that the supervision created by this Order may be abated upon RESPONDENT’s showing that it has complied with the requirements set forth below. In order to abate the Commissioner’s determination, RESPONDENT must meet the following requirements:

1. **RESPONDENT** must demonstrate that it is solvent;

2. **RESPONDENT** must demonstrate that it can meet its financial obligations as they become due;
3. RESPONDENT must demonstrate that it has not exceeded its powers as set forth in TEX. INS. CODE ANN. § 441.052;

4. RESPONDENT’s books and records must be accessible and in current condition and must accurately reflect its financial affairs, and specifically, RESPONDENT and RESPONDENT’s agents must permit examination of its books, papers, accounts, records, and affairs by the Supervisor;

5. RESPONDENT must demonstrate that its management is adequate and has the experience, competence, or trustworthiness to operate RESPONDENT in a safe and sound manner; and

6. RESPONDENT must submit financial statements reflecting its current financial condition, including: (a) balance sheets, statements of operation, and cash flow statements from January 1, 2006, through July 31, 2009; (b) written details about the operations of RESPONDENT’s business, the maintenance of its books and records that ensure the establishment and maintenance of accurate and current books and records, and describing internal accounting controls; and (c) any other additional audits and data as required by the Supervisor or her staff in the format so requested; such information shall be delivered in written form to the Supervisor for her review within 30 days of RESPONDENT’s receipt of this Order.

The Commissioner hereby notifies RESPONDENT that either the Commissioner or RESPONDENT may choose to convene a hearing, after proper notice to the other party, to be conducted at the State Office of Administrative Hearings, William P. Clements Building, 300 West 15th Street, 4th Floor, Austin Texas, 78701, in order for RESPONDENT to show whether it has fully complied with this Order and has met all requirements set forth in this Order to abate the Commissioner’s determination.

The Commissioner FURTHER ORDERS that if the Commissioner finds, after hearing, that RESPONDENT has failed to show that it has complied with each of the requirements set forth in this Order, or that RESPONDENT has committed an act or acts prohibited by, or is in a status or condition contemplated by, TEX. INS. CODE ANN. § 441.004, or is in such a status or condition that allows the Commissioner to exercise discretionary authority in accordance with the provisions of TEX. INS. CODE ANN. § 441.004 or any other law, then the Commissioner may enter an order applying the remedies and sanctions authorized by Chapter 441 of the Texas Insurance Code and take any other action that is authorized by law.

The Commissioner FURTHER ORDERS that, during the course of supervision, RESPONDENT shall cease all marketing in Texas and cease producing any new business, except with the prior written approval of the Supervisor or the Commissioner.

The Commissioner FURTHER ORDERS that the Commissioner shall determine the costs related to the Supervisor’s service rendered in accordance with this Order and chapter 441.
which costs shall be a charge against RESPONDENT’s assets and paid as the Commissioner determines.

The Commissioner FURTHER ORDERS that the Supervisor is expressly authorized to disclose this Order and the state of supervision to a department, agency, or instrumentality of this or another state or the United States. The Supervisor is also expressly authorized to disclose this order and the state of supervision to financial institutions as needed to obtain access to RESPONDENT’s deposits and records, or to set up additional accounts in RESPONDENT’s name, or to effectuate the terms of this Order and the provisions of Chapters 401 and 441 of the Texas Insurance Code.

The Commissioner FURTHER ORDERS that this Order shall be binding on RESPONDENT, RESPONDENT’s agents, all affiliated companies, servants, third-party administrators, officers, directors, employees, and attorneys, and on those persons in active concert or participation with them or who receive actual or constructive notice of this Order by personal service or otherwise.

The Commissioner FURTHER ORDERS that a certified copy of this Order shall forthwith be deposited with the United States Postal Service as certified mail, return receipt requested, addressed to STEVEN L THOMAS AGENCY INC, 5201 S. Colony Blvd., No. 545, The Colony, Texas 75056, such being RESPONDENT’s last and best-known address as shown by the Department’s records.

The Commissioner FURTHER ORDERS that nothing in this Order ratifies any action taken by RESPONDENT, or any parent or affiliate, nor does it express the Commissioner’s or the Department’s approval of any such action, nor does anything in this Order prevent the Commissioner or the Department from initiating any proceeding, taking any action, seeking any remedy, or pursuing any right, at any time.

MIKE GEESLIN
COMMISSIONER OF INSURANCE

By: Danny Saenz, CFE
Senior Associate Commissioner
Financial Program
Commissioner’s Order No. 07-0988
Reviewed by:

[Signature]

Monica L. Piñon, Staff Attorney
Financial Counsel Section
Legal & Regulatory Affairs Division