

MAR 28 1995

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE By alc

In the matter of	)	No. 95-065
	)	
HIXON ENTERPRISES, INC. and	)	
STUART MITCHELL HIXON,	)	CONSENT ORDER
	)	
Respondents.	)	
_____	)	

It appearing to the Director of Insurance for the State of Arizona (Director) based upon information provided by the Corporate and Financial Affairs Division of the Arizona Department of Insurance that Respondents have violated the Arizona Holding Company Act, A.R.S. § 20-481, et seq.; Respondents desiring to resolve this matter without the commencement of formal proceedings; Respondents having admitted the following Findings of Fact and having consented to entry of the following Conclusions of Law and Order; the Director now makes the following Findings of Fact and enters the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Autosure Life Insurance Company (Autosure) is a domestic life and disability reinsurer.

2. Prior to October, 1993, Autosure was wholly owned by St. Clair Management Corporation (St. Clair).

3. On or about June 30, 1993, Respondent, Hixon Enterprises, Inc. (Hixon, Inc.) acquired the outstanding voting stock of St. Clair. As a result of this transaction, Hixon, Inc. acquired "control" of Autosure within the meaning of A.R.S. § 20-481, et seq. At all material times, Stuart Mitchell

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Hixon, was the president, director, shareholder and controlling person of Hixon, Inc.

4. Hixon, Inc. failed to apply to the Director and obtain approval for the acquisition of control of Autosure prior to consummation of the acquisition, in violation of A.R.S. § 20-481.02.

5. In or around October 1993, St. Clair was merged into Hixon, Inc.

6. On or about October 13, 1993, Hixon, Inc. filed an application for approval of the acquisition of control of Autosure, as required by A.R.S. § 20-481.02.

CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.

2. The conduct of Respondents as described above constitutes a violation of A.R.S. § 20-481.02.

3. The Director is authorized to assess a civil penalty against Stuart Mitchell Hixon in an amount up to \$10,000, pursuant to A.R.S. § 20-481.26.

ORDER

NOW, THEREFORE, IT IS ORDERED

Assessing a civil penalty against Respondent, Stuart Mitchell Hixon, in the amount of \$5,000, payable within ten days after the entry of this order. The assets of Autosure Life

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1 Insurance Company shall not be used or accessed in any way to  
2 pay said civil penalty.

3 DATED this 28th day of March, 1995.

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6 CHRIS HERSTAM  
7 Director of Insurance

8 CONSENT TO ORDER

9 1. The undersigned acknowledge that they have read the  
10 foregoing Findings of Fact, Conclusions of Law and Order and are  
11 aware of their right to notice, a hearing and appeal in this  
12 matter and waive same.

13 2. The undersigned admit the jurisdiction of the  
14 Department and admit the foregoing Findings of Fact and consent  
15 to the entry of the foregoing Conclusions of Law and Order.

16 3. The undersigned state that no promises were made to  
17 them to induce them to enter into this Consent Order and declare  
18 that they have entered into this Consent Order voluntarily.

19 4. The undersigned acknowledge that acceptance of this  
20 Consent Order is for the purpose of settling the above-described  
21 matter as against them and does not preclude the Department, or  
22 any other agency or officer of this state, or subdivision there-  
23 of, from instituting other civil or criminal proceedings as may  
24 be appropriate now or in the future. The undersigned specifi-  
25 cally acknowledge that they remain subject to the requirements  
26 of A.R.S. § 20-481, et seq. with respect to the acquisition  
27 of control of Autosure Life Insurance Company, that this Consent  
28 Order does not constitute an approval of said acquisition, and  
that the Department retains any and all powers provided for

1 enforcement of A.R.S. § 20-481, et seq. with respect to  
2 Autosure Life Insurance Company.

3 5. The undersigned waive all rights to challenge such  
4 Findings of Fact, Conclusions of Law and Consent Order on appeal  
5 or otherwise, and agree to be bound by the foregoing Consent  
6 Order.

7  
8 Date: 3/28/95

  
STUART MITCHELL HIXON

9  
10 Date: 3/28/95

HIXON ENTERPRISES, INC.  
By   
Its PRESIDENT

14  
15 COPY of the foregoing mailed this  
16 28th date of March, 1995, to:

17 Gay Ann Williams, Deputy Director  
18 Charles R. Cohen, Executive Assistant Director  
19 Gary Torticill, Assistant Director  
20 Steve Ferguson, Senior Analyst  
21 Kurt Regner, Examiner  
22 Arizona Department of Insurance  
23 2910 North 44th Street, Suite 210  
24 Phoenix, Arizona 85018

25 Stuart Mitchell Hixon  
26 20765 Hugo Street  
27 Farmington Hills, Michigan 48336

28 Autosure Life Insurance Company  
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Farmington Hills, Michigan 48336

Hixon Enterprises, Inc.  
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