



FILED

SEP 01 2022

INSURANCE REGULATION
Docketed by: DJS

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 298571-22-CO

Application for the Direct Acquisition of
FIRST PROFESSIONALS INSURANCE COMPANY, INC. by
VERDE CAPITAL PARTNERS, LLC

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by VERDE CAPITAL PARTNERS, LLC (“APPLICANT”), with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) of an application for the direct acquisition of 100% of the issued and outstanding voting securities of FIRST PROFESSIONALS INSURANCE COMPANY, INC. (“FIRST PROFESSIONALS”), pursuant to Section 628.461, Florida Statutes (“Application”). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all of the conditions precedent to the granting of approval by the OFFICE for the proposed direct acquisition of 100% of the issued and outstanding voting securities of FIRST PROFESSIONALS, pursuant to the requirements of the Florida Insurance Code.
3. FIRST PROFESSIONALS is a Florida domestic property and casualty insurer authorized to transact property and casualty insurance in Florida through a subsisting Certificate

of Authority issued by the OFFICE.

4. FIRST PROFESSIONALS is owned 100% by THE DOCTORS COMPANY, AN INTERINSURANCE EXCHANGE (“THE DOCTORS COMPANY”), a California reciprocal insurer that has no 10% or greater shareholders.

5. APPLICANT is an Arizona member-managed limited liability company whose membership interest is owned 100% by VERDE INVESTMENTS, INC. (“VERDE INVESTMENTS”), an Arizona corporation that is owned 100% by ERNEST C. GARCIA, II (“GARCIA”). The Application represents that APPLICANT has no officers or directors.

6. The Application represents that on March 31, 2022, APPLICANT and THE DOCTORS COMPANY entered into a Stock Purchase Agreement (“Agreement”) whereby APPLICANT will purchase 100% of the membership interest units of FIRST PROFESSIONALS from THE DOCTORS COMPANY, for an estimated purchase price between \$14.85 and \$15.1 million U.S. Dollars (“Transaction”). As a result of the Transaction, FIRST PROFESSIONALS will be owned 100% by APPLICANT.

7. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT, VERDE INVESTMENTS, GARCIA, or FIRST PROFESSIONALS shall remove or cause the removal of said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE, or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of FIRST PROFESSIONALS without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

8. APPLICANT, VERDE INVESTMENTS, GARCIA, and FIRST PROFESSIONALS represent that, except as described in the Application, there are no present plans or proposals to make any substantive changes to FIRST PROFESSIONALS, including liquidating it, selling any of its assets (except for transactions such as investment portfolio transactions in the ordinary course of business), merging or consolidating it with any person or persons, or making any other major change in its business operations, management, or corporate structure.

9. APPLICANT, VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, and THE DOCTORS COMPANY represent that there are no agreements, written or oral, related to the Application and the Transaction that have not been provided to the OFFICE.

10. Any material changes to the information submitted in the Application filing shall be reported to the OFFICE for its review prior to the closing date. APPLICANT, VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, and THE DOCTORS COMPANY acknowledge that if the OFFICE determines that any of these reported changes would have a material negative impact to the financial condition or operation of FIRST PROFESSIONALS, the OFFICE may rescind its approval as granted in the Consent Order by written notice to APPLICANT, VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, or THE DOCTORS COMPANY.

11. Within 10 business days after the Transaction is completed, APPLICANT shall submit, or cause to be submitted, to the OFFICE all documents evidencing completion of said Transaction not already provided to the OFFICE. Further, APPLICANT, VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, or THE DOCTORS COMPANY shall

notify the OFFICE within 3 business days of a final determination that the Transaction will not occur.

12. FIRST PROFESSIONALS shall submit to the OFFICE, within 15 days of completion of the Transaction, an updated Service of Process Consent & Agreement form, properly executed, and affixed with FIRST PROFESSIONALS' corporate seal.

13. FIRST PROFESSIONALS shall, within 15 days after the month in which the closing of the Transaction occurs, file an update to its Holding Company Registration Statement, as required by Section 628.801, Florida Statutes, and Rule 69O-143.046, Florida Administrative Code.

14. FIRST PROFESSIONALS shall submit to the OFFICE, within 15 days of receipt, any newly assigned National Association of Insurance Commissioners company group code.

15. All parties to this Consent Order acknowledge that completion of the Transaction is subject to obtaining any other requisite regulatory or governmental approvals and that this Consent Order shall be deemed null and void if the Transaction is not completed on or before October 31, 2022. Accordingly, if APPLICANT fails to receive any other requisite approvals or the Transaction is not completed timely, the provisions of this Consent Order shall terminate automatically and have no effect.

16. Any prior orders, consent orders, or corrective action plans that FIRST PROFESSIONALS has entered into with the OFFICE prior to the execution of this Consent Order shall apply and remain in full force and effect for FIRST PROFESSIONALS, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are

inconsistent with this Consent Order.

17. APPLICANT, VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, and THE DOCTORS COMPANY affirm that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with this Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the acquisition and future operations of FIRST PROFESSIONALS. APPLICANT, VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, and THE DOCTORS COMPANY further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

18. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

19. APPLICANT, VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, and THE DOCTORS COMPANY affirm that all requirements set forth herein are material to the issuance of this Consent Order.

20. APPLICANT, VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, and THE DOCTORS COMPANY expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE. APPLICANT,

VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, and THE DOCTORS COMPANY hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

21. Each party to this action shall bear its own costs and fees.

22. APPLICANT, VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, and THE DOCTORS COMPANY agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon FIRST PROFESSIONALS' Certificate of Authority in this state, in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

23. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the notarized signature of the individual or authorized representatives of APPLICANT, VERDE INVESTMENTS, GARCIA, FIRST PROFESSIONALS, and THE DOCTORS COMPANY.

WHEREFORE, subject to the terms and conditions of which are set forth above, the Application for the direct acquisition of FIRST PROFESSIONALS INSURANCE COMPANY, INC., by VERDE CAPITAL PARTNERS, LLC, pursuant to Section 628.461, Florida Statutes, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 1st day of September, 2022.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, FIRST PROFESSIONALS INSURANCE COMPANY, INC, consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind FIRST PROFESSIONALS INSURANCE COMPANY, INC, to the terms and conditions of this Consent Order.

FIRST PROFESSIONALS INSURANCE COMPANY, INC

By: [Signature]

Print Name: David McHale

Title: Secretary

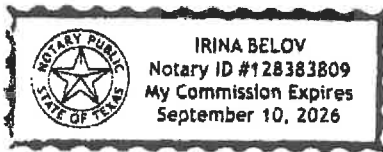
Date: August 30, 2022

STATE OF Texas
COUNTY OF Texas

The foregoing instrument was acknowledged before me by means of physical presence or

online notarization, this 30 day of August 2022, by David McHale
(name of person)

as Officer for First Professionals Ins. Co, Inc
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]
(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification

Type of Identification Produced CADLE# C0397975

My Commission Expires: 09/10/2026

By execution hereof, THE DOCTORS COMPANY, AN INTERINSURANCE EXCHANGE consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind THE DOCTORS COMPANY, AN INTERINSURANCE EXCHANGE to the terms and conditions of this Consent Order.

THE DOCTORS COMPANY, AN INTERINSURANCE EXCHANGE

By: [Signature]

Print Name: David McHale

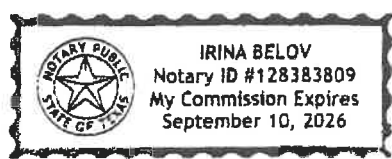
Title: Assistant Secretary

Date: August 30, 2022

STATE OF Texas
COUNTY OF Texas

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 30 day of August 2022, by David MC Hale
(name of person)

as officer for the Doctors Company
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]
(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification

Type of Identification Produced CADL# C0397975

My Commission Expires: 09/10/2026

By execution hereof, VERDE CAPITAL PARTNERS, LLC, consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind VERDE CAPITAL PARTNERS, LLC, to the terms and conditions of this Consent Order.

VERDE CAPITAL PARTNERS, LLC
By: Verde Investments Inc., its Manager

By: Steven P. Johnson

Print Name: Steven P. Johnson

Title: Secretary of Verde Investments, Inc.

Date: 8.26.2022

STATE OF Arizona

COUNTY OF Maricopa

The foregoing instrument was acknowledged before me by means of physical presence or

online notarization, this 26th day of August 2022, by Steven Johnson

as Secretary for Verde Investment Inc as manager of Verde Capital Partners, LLC
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)



Shannon Monigan

(Signature of the Notary)

SHANNON MONIGAN

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 6/18/2023

By execution hereof, VERDE INVESTMENTS, INC., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind VERDE INVESTMENTS, INC., to the terms and conditions of this Consent Order.

VERDE INVESTMENTS, INC.

By: Steven P. Johnson

Print Name: Steven P. Johnson

Title: Secretary

Date: 8.26.2022

STATE OF Arizona
COUNTY OF Maricopa

The foregoing instrument was acknowledged before me by means of physical presence or

online notarization, this 26th day of August 2022, by Steven Johnson
(name of person)

as Secretary for Verde Investment, Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



Shannon Monigan
(Signature of the Notary)

SHANNON MONIGAN
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 6/18/2023

By execution hereof, ERNEST C. GARCIA, II, consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein.

[Signature]
ERNEST C. GARCIA, II

Date: 8.29.2022

STATE OF Arizona
COUNTY OF Maricopa

The foregoing instrument was acknowledged before me by means of physical presence or

online notarization, this 29th day of August 2022, by Ernest C. Garcia II
(name of person)

as N/A for N/A
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



Shannon Monigan
(Signature of the Notary)
SHANNON MONIGAN
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 6-18-2023

COPIES FURNISHED TO:

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