

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

In re:

Cross Financial Corp.

National Producer No. 3685568

Maine License No. AGR67339

Docket No. INS-15-232

**CONSENT AGREEMENT
AND ORDER**

Cross Financial Corp. ("Cross"), a licensed Maine resident insurance producer business entity, the Maine Superintendent of Insurance ("Superintendent"), and the Office of the Maine Attorney General ("Attorney General") hereby enter into this Consent Agreement and Order ("Consent Agreement") pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without an adjudicatory proceeding, violations of the Insurance Code for which the Superintendent may impose discipline pursuant to 24-A M.R.S. §§ 1417 and 1420-K.

PARTIES

1. The Superintendent is the official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance ("Bureau") is the administrative agency with such jurisdiction. The Superintendent has jurisdiction over this matter pursuant to 24-A M.R.S. §§ 12-A and 211 and 10 M.R.S. § 8003(5)(A-1).
2. Cross is an insurance producer business entity with its principal place of business in Bangor, Maine, and it has been licensed in Maine as a resident insurance producer business entity since January 25, 2000. Cross operates a network of wholly-owned subsidiary insurance agencies with locations in Maine, New Hampshire, and Massachusetts. Its Maine insurance producer business entity license number is AGR67339. Its National Producer Number ("NPN") is 3685568. Royce Marvin Cross, a Maine resident producer with property, casualty, and surplus lines authority, is the responsible individual for Cross. His Maine insurance producer license is PRR4897 and his NPN is 36023.

STATUTORY AUTHORITY

3. Under 24-A M.R.S. §§ 12-A and 1420-K and 10 M.R.S. § 8003(5)(A-1), the Superintendent may issue a warning, censure, or reprimand to a licensee, may suspend, revoke or refuse to renew the license of a licensee; may impose conditions of probation on a licensee; may levy a civil penalty against a licensee; or may take any combination of such actions, in response to the licensee's violation of any insurance law, rule, regulation, subpoena, or order of the Superintendent.
4. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve a complaint by entering into a tripartite consent agreement with a licensee and the Attorney General.

5. Title 24-A M.R.S. § 2163-A provides that “an insurer, employee of an insurer or producer may...conduct raffles or drawings, so long as there is no participation costs to entrants, in which case prizes may be valued in excess of \$20 but not more than \$100....

Gifts and prizes given pursuant to this section may not be in the form of cash, check or other cash equivalent.”

FACTS

6. On or about April 20, 2012, Cross held a raffle at the Cross Insurance Center (formerly known as the Bangor Civic Center) in Bangor, Maine, in which one person won two Red Sox tickets valued at \$180 and a second person won a prepaid debit card valued at \$150.
7. On or about April 12, 2013, Cross held a raffle at the Cross Insurance Center in Bangor, Maine, in which a couple won a prepaid debit card valued at \$150, a third person won a 24” LCD Insignia television valued at more than \$100, and a fourth person won two Red Sox tickets valued at \$180.
8. In or about May 2013, Cross held a raffle at the Samoset Resort in Rockport, Maine, in which a person won two Red Sox tickets valued at \$180.
9. In or about March 2014, Cross held a raffle at Lakeview Restaurant in St. Agatha, Maine, in which two people each won two Red Sox tickets valued at \$180.
10. On or about April 11, 2014, Cross held a raffle at the Cross Insurance Center in Bangor, Maine, in which one person won two Red Sox tickets valued at \$180 and second person won a prepaid debit card valued at \$200.
11. In or about May 2014, Cross held a raffle at the Samoset Resort in Rockport, Maine, in which a person won two Red Sox tickets valued at \$180.
12. In or about March 2015, Cross held a raffle at Lakeview Restaurant in St. Agatha, Maine, in which a person won two Red Sox tickets valued at \$180.
13. On or about March 27, 2015, Cross held a raffle at the Cross Insurance Center in Bangor, Maine, in which one person won Brit Floyd concert tickets valued at \$135 and a second person won Camelot concert tickets valued at \$120.

CONCLUSIONS OF LAW

14. On fourteen occasions, Cross violated 24-A M.R.S. § 2163-A by conducting raffles that awarded prizes in excess of \$100.

15. On three occasions, Cross violated 24-A M.R.S. § 2163-A by awarding prepaid debit cards, which are “cash equivalents.”

COVENANTS

16. Cross admits the Facts as stated above and admits that those Facts constitute a basis for imposing discipline upon it due to (i) fourteen occasions on which Cross raffled off prizes valued in excess of the \$100 statutory limit; and (ii) three occasions on which Cross raffled off prepaid debit cards
17. Cross agrees to the imposition of a civil penalty in the amount of Five Thousand Dollars (\$5,000.00), which Cross will forthwith remit to the Maine Bureau of Insurance with this signed agreement. Payment shall be by check or money order made out to “Treasurer, State of Maine.”
18. Cross will promptly report any matters to the Bureau during all times that it is licensed by the Bureau, to the extent such reporting is required under the Maine Insurance Code, and will comply in all other respects with the provisions of the Maine Insurance Code, as applicable.
19. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.
20. In consideration of Cross’s execution of and compliance with the terms of this Consent Agreement, the Superintendent and Attorney General agree to forgo pursuing against Cross any further disciplinary measures or other civil or administrative sanctions available under the Maine Insurance Code concerning the specific, admitted conduct described in this Consent Agreement. However, should Cross violate any provision of this Consent Agreement, it will be subject to any available remedy for the violation. Further, if Cross commits any future violation of the Insurance Code, the Superintendent may consider such violation evidence of a pattern of misconduct and take action deemed appropriate in consideration of such evidence.
21. Cross acknowledges and agrees that, upon execution of this Consent Agreement, each of the Covenants herein shall constitute a final order of the Superintendent made after due notice to Cross of the opportunity of an adjudicatory hearing.
22. This Consent Agreement is enforceable pursuant to 24-A M.R.S. § 215, 10 M.R.S. § 8003(5)(B), and 14 M.R.S. § 3138.
23. This Consent Agreement is not subject to appeal. Cross waives any further hearings or appeals regarding the matters that are the subject of this Consent Agreement.
24. This Consent Agreement is effective until modified or rescinded only by a written agreement executed by all of the parties hereto.
25. This Consent Agreement is a public record subject to the provisions of the Maine Freedom of Access Law, 1 M.R.S. §§ 401 through 410, and will be available for public inspection and copying pursuant to 1 M.R.S. § 408-A.
26. This Consent Agreement is an adverse action and will be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.

27. By the signature hereto of its authorized representative, Cross agrees that it has read this Consent Agreement, that it understands this Consent Agreement, that it has reviewed the statutory provisions set forth herein, that it has had an opportunity to consult counsel before signing this Consent Agreement, and that it enters into this Consent Agreement voluntarily and without coercion of any kind from any person.

CROSS FINANCIAL CORP.

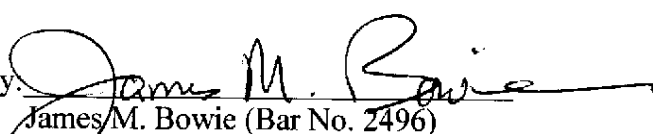
Dated: Oct. 7, 2015

By: 
Its Authorized Representative

Royce M. Cross, President
Print Name and Title


**THE OFFICE OF THE MAINE ATTORNEY
GENERAL**

Dated: October 14, 2015

By: 
James M. Bowie (Bar No. 2496)
Assistant Attorney General

**THE MAINE SUPERINTENDENT OF
INSURANCE**

Dated: Oct 15, 2015

By: 
Eric A. Cioppa
Superintendent of Insurance