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NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

CHECK NO. [REDACTED]
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PROCESSED FOR

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF THE LICENSURE
OF ARROW FINANCIAL SERVICES, LLC

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME Arrow Financial Services, LLC (hereinafter "Arrow") and the North Carolina Department of Insurance (hereinafter "NCDOI"), and hereby enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement"):

WHEREAS, Arrow is a limited liability company organized and existing under the laws of the State of Illinois; and

WHEREAS, NCDOI has the authority and responsibility for enforcement of the provisions of Chapter 58 of the North Carolina General Statutes applicable to collection agencies and the collection agency business; and

WHEREAS, North Carolina law requires a collection agency to obtain and maintain a separate permit issued by NCDOI for each location at which the agency desires to carry on a collection agency business; and

WHEREAS, Arrow has collection agency locations that require permits from NCDOI in San Diego, California; Gaithersburg, Maryland; Whitewater, Wisconsin; and at its Niles, Illinois headquarters; and

WHEREAS, Arrow obtained permits for the above four locations for the July 1, 2003 to June 30, 2004 licensure year; and

WHEREAS, at the expiration of the July 1, 2003 to June 30, 2004 licensure year, Arrow failed to renew the NCDOI permits for its San Diego, California; Gaithersburg, Maryland; and Whitewater, Wisconsin locations; and

WHEREAS, Arrow's locations in San Diego, California; Gaithersburg, Maryland; and Whitewater, Wisconsin continued to conduct collection agency business after June 30, 2004 without the required permits in violation of North Carolina law; and

WHEREAS, Arrow has now made proper application to NCDOI for permits for its locations in San Diego, California; Gaithersburg, Maryland; and Whitewater, Wisconsin; and

WHEREAS, pursuant to N. C. Gen. Stat. § 58-2-70(g), the Commissioner of Insurance and NCDOI have the express authority to negotiate "a mutually acceptable agreement with any person as to the status of the person's license or certificate or as to any civil penalty or restitution;" and

WHEREAS, the parties to this Agreement desire to resolve this matter by consent to avoid NCDOI administrative action regarding this matter; and

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement;

NOW, THEREFORE, in consideration of the promises and agreements set out herein, NCDOI and Arrow hereby agree to the following:

1. Arrow, and all of its locations, shall comply with all provisions of Chapter 58 of the North Carolina General Statutes and Title 11 of the North Carolina Administrative Code that are applicable to them.
2. Contemporaneously with the execution of this document, Arrow shall pay a civil penalty of \$ 3,000.00 to NCDOI. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance."
3. In the event Arrow or any of its locations fail to comply with this Agreement or otherwise fail to comply with the laws and regulations applicable to them, NCDOI may take any administrative or legal action it is authorized to take.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner of Insurance. Arrow understands that N. C. Gen. Stat. § 58-70-40(c)(6) provides that a collection agency's permit may be revoked if a partner, proprietor or officer of the collection agency has violated or refused to comply with an Order of the Commissioner.
5. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

This the ____ day of November, 2004.



Arrow Financial Services, LLC
By:
President



North Carolina Department of Insurance
By: Angela Ford
Senior Deputy Commissioner