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SECRETARY OF STATE

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

TENNESSEE INSURANCE DIVISION,)
Petitioner,)
)
vs.)
)
STEPHEN G. BRADEN)
Respondent.)

No.: 12.01-54825J

AGREED ORDER

WHEREAS, Petitioner, the Tennessee Insurance Division (hereinafter referred to as the "Division"), and the Respondent, Stephen G. Braden. (hereinafter referred to as the "Respondent"), hereby stipulate and agree, subject to the approval of the Commissioner of Commerce and Insurance (hereinafter referred to as the "Commissioner") as follows:

GENERAL STIPULATIONS

1. It is expressly understood that this Agreed Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.
2. The Commissioner has determined that the resolution set forth in this Agreed Order is fair and reasonable, and in the best public interest.
3. This Agreed Order is executed by the parties for the purpose of avoiding further administrative action with respect to this cause and that this Order resolves all claims and allegations that arose or could arise from the Petition and Amended Petition in *Tennessee Insurance Division v. Stephen G. Braden*, Docket Number 12.01- 54825J. Furthermore, should this Agreed Order not be

accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

4. Respondent fully understands that this Agreed Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions that do not arise from the facts or transactions addressed in this Agreed Order, in the Petition and Amended Petition filed by the Commissioner in *Tennessee Insurance Division v. Stephen G. Braden*, Docket Number 12.01- 54825J.

5. The Parties expressly waive all further procedural steps, and expressly waive all rights to seek judicial review of or to otherwise challenge or contest the validity of the Agreed Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Agreed Order.

FINDINGS OF FACT

6. Respondent is a citizen of Tennessee and, at all times relevant to the events herein, has been licensed by the Division to sell insurance in this state as an insurance producer, having obtained said license, numbered 0839513, on or around December 18, 2000 (Life) and June 27, 2001 (Variable).

7. Xantus Corporation is a Tennessee corporation that was originally incorporated as Phoenix Healthcare Corporation in March of 1993. On or around September 8, 1993 Xantus Corporation acquired one hundred thousand (100,000) of the issued shares of Xantus Healthplan of Tennessee (hereinafter referred to as "XHT"), making XHT a wholly-owned subsidiary of Xantus Corporation.

8. Samuel H. Howard (hereinafter referred to as "Howard") is a citizen of the State of Tennessee. Howard was the original incorporator of Xantus Corporation and served as Chairman and CEO of Xantus Corporation.

9. XHT was a Tennessee for-profit health maintenance organization regulated by the Department of Commerce and Insurance. XHT contracted with the State of Tennessee's TennCare program to provide managed care to over one hundred fifty thousand (150,000) enrollees, and received approximately ninety-nine percent (99%) of its revenue from the state and federal governments.

10. Respondent served as Chief Financial Officer of Xantus Corporation from 1993-1996 and from March 1999-October 1999.

11. Respondent served as Secretary of Xantus Corporation.

12. Respondent served as Vice President of Corporate Development for Xantus Corporation from February 1998-March 1999.

13. Respondent served as Secretary of XHT from 1993-1999.

14. On March 31, 1999, XHT was placed into rehabilitation pursuant to Tenn. Code Ann. §§ 56-9-101, *et seq.*, in the action *State of Tennessee, by and through Douglas M. Sizemore v. Xantus Healthplan of Tennessee, Inc.*, case no. 99-917-II. XHT was placed into rehabilitation primarily because of a reported negative net worth of nearly Twenty-Five Million Dollars (\$25,000,000), which XHT failed to cure.

15. At the time of the rehabilitation, Respondent held the positions of Chief Financial Officer of Xantus Corporation and Secretary of both Xantus Corporation and XHT.

16. On or about September 16, 2003, Respondent completed Uniform Application for Resident Individual Insurance Producer License (hereinafter referred to as "Application"). In response to question number 34, Respondent stated that he was employed as Chief Financial Officer of Xantus Corporation from March 1993 until October 1999.

CONCLUSIONS OF LAW

17. Tenn. Code Ann. § 56-6-112(a)(1) states, in pertinent part, that the Commissioner may suspend, revoke, or refuse to issue or renew any license under this part if she finds that one holding a license to sell insurance has provided incorrect, misleading, incomplete or materially untrue information in the license application.

18. Respondent neither admits nor denies the Findings of Fact outlined above. The Respondent enters into this Consent Order for the sole purpose of avoiding further administrative action with respect to this cause.

ORDER

NOW THEREFORE, it is by agreement that this Order is entered into by the parties pending a final resolution of this matter and the admission by Respondent of the jurisdiction of the Commissioner, the parties mutually agree to the entry of this Order and that this Order is appropriate, and in the public interest.

1. The Respondent has completed a seminar that addressed the role of corporate officers and directors legal and the fiduciary responsibilities and duties associated with such roles.

2. Respondent has presented a certificate of completion of such a course, and the administrative action, *Tennessee Insurance Division v. Stephen G. Braden, Docket Number 12.01-54825J*, is hereby dismissed by the Division.

This Agreed Order is in the public interest and in the best interests of the parties, and represents a resolution between the parties. By the signatures affixed below, the Parties affirmatively state that they have freely agreed to the entry of this Agreed Order. Respondent has consulted legal counsel in this matter, and waives his right to a hearing on the matters underlying this Agreed Order, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Agreed Order, affirmatively state their agreement to be bound by the terms of this Agreed Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Agreed Order, are binding upon them.

SO ORDERED.

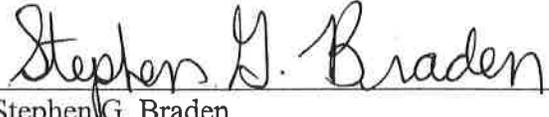
ENTERED this the 18th day of January, 2007.

Paula A. Flowers
Paula A. Flowers, Commissioner
Department of Commerce and Insurance

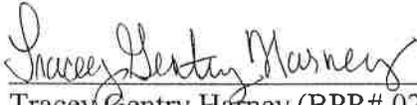
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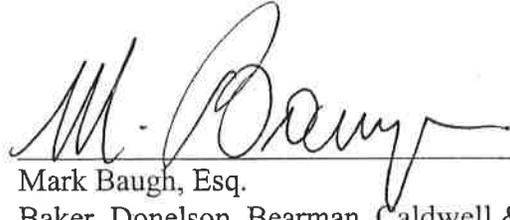
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Stephen G. Braden



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- CFO challenges we are hearing
- Capabilities required to respond to these challenges
- Attributes of CFOs who are tapped to be CEOs
- Q & A

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	Samuel J. Silvers Principal, Strategy & Operations, Deloitte Consulting LLP
	Steve Ehrenhalt Principal, Strategy & Operations, Deloitte Consulting LLP
	Delrdre Ryan Senior Manager, Deloitte Consulting LLP

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