

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
KBS INTERNATIONAL CORP., and)
PETER M. SCHLACTUS, Compliance Officer,)
Licensees.)

Case No. D 10-02

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and KBS International Corp. (KBS), and Peter M. Schlactus (Mr. Schlactus), Compliance Officer, the licensees in this case, stipulate and agree that the unlicensed activity that occurred during the time licenses #38010 and #38012 were in lapse status is resolved as follows:

1. On November 29, 2007, the division sent Mr. Schlactus a license renewal application. On January 2, 2008, the division sent KBS a license renewal application. On March 7, 2009, the division notified Mr. Schlactus that his insurance producer license had lapsed for failure to renew and also notified KBS that its license was inactivated because its compliance officer's license had lapsed. On April 4, 2008, the division notified KBS that its insurance producer license had lapsed for failure to renew.

2. On December 29, 2008, the division received application requirements necessary to reinstate both licenses, and the division reinstated the licenses effective February 10, 2009. As required by the division, a notarized statement was submitted listing whether business had been transacted while the licenses were in lapse status. The statement indicated

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DIVISION OF INSURANCE
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1 that six insurance transactions occurred between April 1, 2008 and December 18, 2008 while
2 the firm and its compliance officer were was not appropriately licensed.

3 3. KBS and Mr. Schlactus are responsible for ensuring that the firm and its
4 employees comply with Alaska's insurance statutes and regulations and are subject to penalties
5 under AS 21.27.440 for unlicensed activity.

6 4. KBS and Mr. Schlactus agree to pay a civil penalty under AS 21.27.440
7 of \$1,998.45, which equals the amount of commission earned for the unlicensed activity that
8 occurred between April 1, 2008 and December 18, 2008 with \$998.45 suspended. The
9 unsuspended portion of the penalty is payable at the time KBS and Mr. Schlactus are notified
10 that the director has signed the order approving this agreement.

11 5. In the event KBS and Mr. Schlactus violate the insurance code or
12 applicable regulations during the next two years, the suspended portion of the penalty
13 referenced in paragraph 4 will be reinstated. KBS and Mr. Schlactus also will be subject to any
14 and all sanctions authorized by the insurance code including imposition of additional fines or
15 penalties.

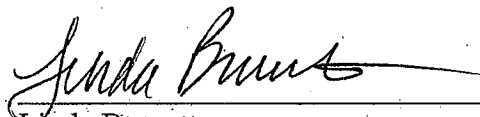
16 6. By signing this agreement, KBS and Mr. Schlactus understand and agree
17 that any failure to comply with the conditions of this agreement will be grounds to revoke,
18 suspend, or not renew Alaska insurance licenses #38010 and #38012.

19 7. KBS and Mr. Schlactus understand that this agreement is not binding on
20 the parties unless and until the director signs the order approving the agreement.

21 DATED: 1/24/10

22 DIVISION OF INSURANCE

23 By:

24 

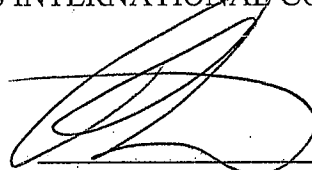
25 Linda Brunette
26 Program Coordinator

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DATED: 1/14/2010

KBS INTERNATIONAL CORP.

By:



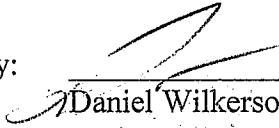
Peter M. Schlactus
Compliance Officer

Approved as to form and content:

DATED: 1/20/10

DANIEL S. SULLIVAN
ATTORNEY GENERAL

By:

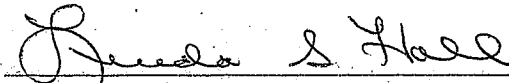


Daniel Wilkerson
Assistant Attorney General

ORDER

IT IS ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the issues in this case, and shall constitute the final order in this matter.

DATED this 29th day of JANUARY, 2010.



Linda S. Hall
Director of Insurance

I hereby certify that a copy of the document(s) listed below was distributed to the below-listed parties and files by mail or by personal delivery. The original document has been forwarded to the Juneau office of the Division of Insurance for official filing.

Stipulated Agreement and Order, signed by the Director of Insurance on January 29, 2010, in Case No. D 10-02, In the Matter of KBS International Corp., and Peter M. Schlactus, Compliance Officer, Licensees.

Daniel Wilkerson
Assistant Attorney General
Department of Law

Linda Brunette
Program Coordinator
Division of Insurance

Peter M. Schlactus
Compliance Officer
KBS International Corp.
145 Huguenot Street, Ste. 501
New Rochelle, NY 10802
(certified mail)

Dated: February 1, 2010 in Anchorage, Alaska.



Barbara Karl