



**FILED**

DEC 18 2020

**INSURANCE REGULATION**  
Docketed by:    

**OFFICE OF INSURANCE REGULATION**

**DAVID ALTMAIER**  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 274037-20-CO

Application for the Indirect Acquisition of  
SUNZ INSURANCE COMPANY by  
BTO PROMINENCE HOLDINGS DE, LP

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CONSENT ORDER

THIS CAUSE came on for consideration upon the filing with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) of an application for approval of the proposed indirect acquisition of 10% or more of the issued and outstanding voting securities of SUNZ INSURANCE COMPANY (“SUNZ”) by BTO PROMINENCE HOLDINGS DE, LP (“APPLICANT”), 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 present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all the conditions precedent to the granting of approval by the OFFICE of the proposed indirect acquisition of 10% or more of the issued and outstanding voting securities of SUNZ by APPLICANT, pursuant to the requirements of the Florida Insurance Code.

3. SUNZ is a domestic property and casualty insurer that is authorized to transact casualty insurance in Florida through a subsisting Certificate of Authority issued by the OFFICE, pursuant to Chapter 624, Part III, Florida Statutes.

4. SUNZ is 100% owned by SUNZ HOLDINGS, LLC (“SUNZ HOLDINGS”), whose voting securities are owned 99.5% by Prominence Holdings, LLC, a Florida limited liability company whose membership interests are owned 100% by STEVEN F. HERRIG.

5. Ashmere Insurance Company (“Ashmere”) is a domestic property and casualty insurer that is authorized to transact casualty insurance in Florida through a subsisting Certificate of Authority issued by the OFFICE, pursuant to Chapter 624, Part III, Florida Statutes. As of the date of execution of this Consent Order, Ashmere is a wholly owned subsidiary of SUNZ.

6. On November 16, 2020, the OFFICE approved the acquisition of 100% of the issued and outstanding voting securities of Ashmere by North American Casualty Co., pursuant to the terms of the Consent Order docketed in Case No. 272454-20-CO. The closing for the Ashmere acquisition is pending.

7. APPLICANT is a Delaware limited partnership whose organizational structure is as represented in the Application and is ultimately a subsidiary of BLACKSTONE GROUP MANAGEMENT LLC (“BLACKSTONE”). The Application includes a draft delegation agreement that will be executed at closing as well as a Disclaimer of Control affidavit, which together will give sole post-acquisition control over APPLICANT’s investment in SUNZ to MENES CHEE, who is APPLICANT’s sole officer and director.

8. The Application represents that on or about November 12, 2020, APPLICANT entered into an Equity Purchase Agreement with SUNZ HOLDINGS and STEVEN F. HERRIG, whereby APPLICANT has agreed to purchase 10% or more of the issued and outstanding voting securities of SUNZ HOLDINGS from STEVEN F. HERRIG, upon certain closing conditions, at

an agreed-upon amount of consideration, which is subject to customary adjustments as contained within the Equity Purchase Agreement, and as detailed in the Application (“Transaction”).

9. APPLICANT, BLACKSTONE, SUNZ HOLDINGS, SUNZ, and STEVEN F. HERRIG represent that, except as disclosed in the Application, none of the individuals who will exercise control, subsequent to this acquisition, directly or indirectly, over SUNZ have been found guilty of, or have pleaded guilty or nolo contendere to, a felony or a misdemeanor, other than a civil traffic offense.

10. APPLICANT, BLACKSTONE, SUNZ HOLDINGS, SUNZ, or STEVEN F. HERRIG shall submit, or cause to be submitted, to the OFFICE completed fingerprint cards or LiveScan fingerprints for David Harting, Therese Stevens, and Michael Welbes within 90 days of the execution of this Consent Order.

11. 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, BLACKSTONE, SUNZ HOLDINGS, SUNZ, or STEVEN F. HERRIG shall remove 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 SUNZ without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

12. APPLICANT, BLACKSTONE, SUNZ HOLDINGS, SUNZ, or STEVEN F. HERRIG represent that, except as disclosed in the Application, there are no present plans or proposals to make any substantive changes to the Plan of Operation of SUNZ, 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.

13. SUNZ shall, no later than 15 days after the month in which the Transaction contemplated in this Application is completed, 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. Pursuant to Sections 628.461(3)(f)-(g), Florida Statutes, APPLICANT, MENES CHEE, SUNZ HOLDINGS, and STEVEN F. HERRIG, or any other party meeting the definition of “ultimate controlling person” as defined in Section 628.801(2), Florida Statutes, shall file with the OFFICE the Enterprise Risk Report required by Section 628.801(2), Florida Statutes, and any and all additional information necessary to evaluate the enterprise risk of SUNZ and its affiliates.

15. Pursuant to Section 624.10(3), Florida Statutes, and upon completion of the Transaction, APPLICANT and BLACKSTONE will be controlling entities and, as such, shall comply with Section 628.461(12)(b), Florida Statutes, should APPLICANT or BLACKSTONE choose to divest their controlling interest in SUNZ.

16. Any material changes to the information submitted in the Application filing shall be reported to the OFFICE for its review during the pendency of the closing of the Transaction. APPLICANT, BLACKSTONE, SUNZ HOLDINGS, SUNZ, or STEVEN F. HERRIG 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 SUNZ, the OFFICE may rescind its approval as granted in this Consent Order by written notice to APPLICANT, BLACKSTONE, SUNZ HOLDINGS, SUNZ, or STEVEN F. HERRIG.

17. All parties to this Consent Order agree that this Consent Order shall be deemed null and void if the Transaction, or any other requisite regulatory approvals are not obtained, within 90 days of execution of this Consent Order.

18. Within 10 business days after the Transaction is completed, APPLICANT shall submit, or cause to be submitted, to the OFFICE any documents evidencing completion of said Transaction not already provided to the OFFICE. Further, APPLICANT, BLACKSTONE, SUNZ HOLDINGS, SUNZ, or STEVEN F. HERRIG shall notify the OFFICE within 3 business days of the final determination that the Transaction contemplated in this Application will not occur.

19. Any prior orders, consent orders, or corrective action plans that SUNZ has entered into with the OFFICE prior to the issuance of this Consent Order shall apply and remain in full force and effect for SUNZ, 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.

20. APPLICANT, BLACKSTONE, SUNZ HOLDINGS, SUNZ, and STEVEN F. HERRIG affirm and represent 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 SUNZ. APPLICANT, BLACKSTONE, SUNZ HOLDINGS, SUNZ, and STEVEN F. HERRIG 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.

21. SUNZ shall report to the OFFICE, Property & Casualty Financial Oversight, any time that SUNZ is named as a party defendant in a class action lawsuit within 15 days after the class is certified. SUNZ shall include a copy of the complaint at the time it reports the class action lawsuit to the OFFICE.

22. SUNZ shall maintain an information security program for the security and protection of confidential and proprietary information under its control that complies with all applicable laws and regulations regarding information security. SUNZ agrees that it shall continually monitor and enhance its information security program in order to mitigate data security breaches. SUNZ further agrees that it shall notify the OFFICE within 5 business days of identifying a data breach.

23. Executive Order 13224 prohibits any transactions by U.S. persons involving the blocked assets and interests of terrorists and terrorist support organizations. SUNZ shall maintain and adhere to procedures necessary to detect and prevent prohibited transactions with those individuals and entities, which have been identified at the Treasury Department's Office of Foreign Assets Control website, <http://www.treas.gov/ofac>.

24. Within 60 days from the date of the execution of this Consent Order, APPLICANT shall submit, or cause to be submitted, to the OFFICE a certification evidencing compliance with all of the requirements of this Consent Order. Any exceptions shall be so noted and contained in the certification. Exceptions noted in the certification shall also include a timeline defining when the outstanding requirements of the Consent Order will be complete. Said certification shall be submitted to the OFFICE via electronic mail and directed to the attention of the Assistant General Counsel representing the OFFICE in this matter and as named in this Consent Order.

25. 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 written approval by the OFFICE is subject to statutory or administrative regulation limitations.

26. APPLICANT, BLACKSTONE, MENES CHEE, SUNZ HOLDINGS, SUNZ, and STEVEN F. HERRIG 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, BLACKSTONE, MENES CHEE, SUNZ HOLDINGS, SUNZ, and STEVEN F. HERRIG 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.

27. APPLICANT, BLACKSTONE, MENES CHEE, SUNZ HOLDINGS, SUNZ, and STEVEN F. HERRIG affirm that all requirements set forth herein are material to the issuance of this Consent Order.

28. APPLICANT, BLACKSTONE, MENES CHEE, SUNZ HOLDINGS, SUNZ, and STEVEN F. HERRIG 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 the Certificate of Authority of SUNZ in this state, in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

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

30. 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 signatures of MENES CHEE and STEVEN F. HERRIG, as well as the signatures of the authorized representatives of APPLICANT, BLACKSTONE, SUNZ HOLDINGS, and SUNZ, notwithstanding the fact that the

copy may have been transmitted to the OFFICE electronically. Further, APPLICANT, BLACKSTONE, MENES CHEE, SUNZ HOLDINGS, SUNZ, and STEVEN F. HERRIG agree that their signatures or that of their authorized representatives as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, subject to the terms and conditions set forth above, the Application for the indirect acquisition of 10% or more of the issued and outstanding voting securities of SUNZ INSURANCE COMPANY by BTO PROMINENCE HOLDINGS DE, LP, pursuant to Section 628.461, Florida Statutes, is APPROVED.

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

DONE and ORDERED this 18 day of December, 2020.



*David Altmaier*

David Altmaier, Commissioner  
Office of Insurance Regulation



By execution hereof, BTO PROMINENCE HOLDINGS DE, LP, 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 BTO PROMINENCE HOLDINGS DE, LP, to the terms and conditions of this Consent Order.

BTO PROMINENCE HOLDINGS DE, LP

By: [Signature]

Print Name: Menes O. Chee

Title: President

Date: December 17, 2020

STATE OF New York

COUNTY OF New York

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

or  online notarization, this 17<sup>th</sup> day of December 2020, by Menes O. Chee

as President for BTO Prominence Holdings DE, LP

(type of authority; e.g., officer, trustee, attorney in fact)

(company name)

[Signature]  
(Signature of the Notary)

Kerry O'Donnell  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification

Type of Identification Produced \_\_\_\_\_

My Commission Expires: 03/21/2024

KERRY O'DONNELL  
NOTARY PUBLIC - STATE OF NEW YORK  
NO 010D6339001  
QUALIFIED IN NEW YORK COUNTY  
MY COMMISSION EXPIRES 03-21-2024



By execution hereof, BLACKSTONE GROUP MANAGEMENT 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 BLACKSTONE GROUP MANAGEMENT LLC to the terms and conditions of this Consent Order.

BLACKSTONE GROUP MANAGEMENT LLC

By: Tabea Hsi

Print Name: Tabea Hsi

Title: Managing Director - Assistant Secretary

Date: 12-18-2020

STATE OF New York  
COUNTY OF New York

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

or  online notarization, this 18<sup>th</sup> day of December 2020, by Tabea Hsi

as officer for Blackstone Group Management LLC  
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)

Rhonda Coleman  
(Signature of the Notary)

Rhonda Coleman  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: 09-28-2023

**RHONDA COLEMAN**  
**NOTARY PUBLIC-STATE OF NEW YORK**  
**No 01CO8330818**  
**Qualified in Queens County**  
**My Commission Expires 09-28-2023**

By execution hereof, MENES CHEE 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]*  
MENES CHEE

Date: December 17, 2020

STATE OF New York  
COUNTY OF New York

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

or  online notarization, this 17<sup>th</sup> day of December 2020, by Menes O. Chee  
(name of person)

as President for BTD Prominence Holdings DE, LP.  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

*[Signature]*  
(Signature of the Notary)

Kerry O'Donnell  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: 03/21/2024

KERRY O'DONNELL  
NOTARY PUBLIC - STATE OF NEW YORK  
NO 010D6339001  
QUALIFIED IN NEW YORK COUNTY  
MY COMMISSION EXPIRES 03-21-2024



By execution hereof, SUNZ INSURANCE COMPANY 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 SUNZ INSURANCE COMPANY to the terms and conditions of this Consent Order.

SUNZ INSURANCE COMPANY

By: [Signature]

Print Name: Steven F. Herrig

Title: CEO

Date: 12/16/2020

STATE OF Florida

COUNTY OF Manatee

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

or  online notarization, this 16<sup>th</sup> day of December 2020, by Steven F. Herrig

(name of person)

as CEO for Sunz Insurance Company

(type of authority; e.g., officer, trustee, attorney in fact)

(company name)

[Signature]  
(Signature of the Notary)

Jonathan Weis  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



JONATHAN WEIS  
Commission # GG 906138  
Expires October 5, 2023  
Bonded Thru Budget Notary Services

By execution hereof, SUNZ HOLDINGS, 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 SUNZ HOLDINGS, LLC, to the terms and conditions of this Consent Order.

SUNZ HOLDINGS, LLC

By: [Signature]

Print Name: Steven F. Herrig

Title: CEO

Date: 12/16/2020

STATE OF Florida

COUNTY OF Manatee

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

or  online notarization, this 16<sup>th</sup> day of December 2020, by Steven F. Herrig

as CEO (name of person) for Sunz Holdings (company name)  
(type of authority; e.g., officer, trustee, attorney in fact)

[Signature]  
(Signature of the Notary)

Jonathan Weis  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification

Type of Identification Produced

My Commission Expires:



JONATHAN WEIS  
Commission # GG 906138  
Expires October 5, 2023  
Bonded Through Budget Notary Services

By execution hereof, STEVEN F. HERRIG 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]  
STEVEN F. HERRIG

Date: 12/16/2020

STATE OF Florida

COUNTY OF Manatee

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

or  online notarization, this 16<sup>th</sup> day of December 2020, by Steven F. Herrig  
(name of person)

as \_\_\_\_\_ for \_\_\_\_\_  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

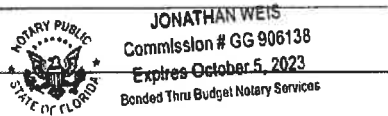
[Signature]  
(Signature of the Notary)

Jonathan Weis  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



COPIES FURNISHED TO:

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