

STATE OF NORTH DAKOTA  
BEFORE THE INSURANCE COMMISSIONER

In the Matter of )  
 )  
The Certificate of Exemption of )  
Dickinson State University )  
Foundation, Inc., )  
FEIN 45-6014522, )  
 )  
Respondent. )

**ORDER REVOKING  
CERTIFICATE OF EXEMPTION**

WHEREAS, N.D.C.C. § 26.1-01-03(1) requires the Commissioner of Insurance for the State of North Dakota to see that all the laws of the State respecting insurance companies and benevolent societies are executed faithfully; and

WHEREAS, Respondent is an admitted domestic corporation doing business in the State of North Dakota pursuant to N.D.C.C. ch. 26.1-34.1; and

WHEREAS, N.D.C.C. § 26.1-34.1-06 grants the Commissioner the authority to revoke a certificate of exemption if the Commissioner finds that the corporation does not meet or continue to meet the requirements of chapter 26.1-34.1 or chapter 26.1-04; and

WHEREAS, N.D.C.C. § 26.1-34.1-02 states as follows:

**26.1-34.1-02. Issuance of certificate of exemption to issue gift annuities.**

The commissioner shall issue a certificate of exemption if:

1. All requirements of this chapter have been met; and
2. The commissioner is satisfied that the corporation is in a position to competently execute its responsibilities relative to such annuity contracts.

WHEREAS, N.D.C.C. § 26.1-34.1-03 states as follows:

**26.1-34.1-03. Segregated account.**

1. Every corporation possessing a certificate of exemption shall maintain a segregated account for all of its gift annuity liabilities.
2. The assets of the segregated account are not liable for any debts of the corporation other than those incurred pursuant to this chapter.
3. The segregated account must be adequate to meet the future payments under all outstanding annuity agreements.

WHEREAS, on December 3, 2014, an Order for Appointment of Receiver was entered by the Southwest Judicial District Court (Case No. 45-2014-CV-00873) which appointed a Receiver of the assets of the Dickinson State University Foundation (DSUF); and

WHEREAS, said Order required the Receiver to take immediate possession, custody, and control of all assets owed or held by DSUF and to take any and all actions the Receiver deems necessary to maintain, operate and preserve DSUF and its projects and assets during the pendency of the Receivership; and

WHEREAS, the Receiver's Sixth Interim Report, filed with the Court on June 25, 2015, states that Brady Martz & Associates, P.C., performed an analysis of the permanently restricted donations, temporarily restricted donations, and custodial funds held by DSUF as of December 31, 2014; and

WHEREAS, Brady Martz & Associates, P.C., concluded that no definitive determination can be made detailing the balances of the permanently and temporarily restricted donations as of December 31, 2014, due to (1) DSUF's lack of supporting documentation concerning the restricted donations, and (2) the inability to adjust the

donations received by DSUF applying DSUF's spending policy and the interpretation of the State Prudent Institutional Funds Act; and

WHEREAS, based on the foregoing information, the Commissioner of Insurance of the State of North Dakota is of the opinion that the Respondent is in an unsound condition or has failed to comply with the laws of the State of North Dakota.

NOW, THEREFORE, IT IS HEREBY ORDERED that the Certificate of Exemption of Respondent is **REVOKED** in the State of North Dakota.

IT IS FURTHER ORDERED that the Respondent shall continue to make all filings and pay fees and taxes as required by the North Dakota Century Code and by any order of the court with jurisdiction over the liquidation proceedings.

This Order is effective and dated this 16<sup>th</sup> day of November, 2016.

A handwritten signature in dark ink, appearing to read "Adam Hamm", is written over a horizontal line. The signature is stylized and somewhat cursive.

Adam Hamm  
Commissioner  
N.D. Insurance Department  
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Bismarck, ND 58505  
(701) 328-2440