

BEFORE ALLAN L. MCVEY, INSURANCE COMMISSIONER  
OF THE STATE OF WEST VIRGINIA

*In the Matter of:*

**C2 ESSENTIALS, INC.**

Administrative Proceeding No. 22-IC-02012

AGREED ORDER

The West Virginia Offices of the Insurance Commissioner (“WVOIC”, “Insurance Commissioner” or “Commissioner”) alleged that C2 Essentials, Inc. (“C2 Essentials” or “Company”), violated provisions of Chapter 33, Article 46A of the *West Virginia Code*, as amended. The Company now wishes to resolve this matter without proceeding further herein and, to do so, agree to the entry of this Agreed Order.

FINDINGS OF FACT

1. C2 Essentials is a Professional Employer Organization (PEO) domiciled in the State of Virginia.
2. The Company was originally licensed in January 2014, as a PEO in the State of West Virginia, with West Virginia License Number PEO143.
3. By letter dated August 16, 2021, the Commissioner’s office requested a copy of the Company’s client service agreements which should have been filed with the Commissioner pursuant to W.Va. Code §33-46A-6(d). Upon not receiving the requested information, the Commissioner’s office sent the Company three (3) e-mails and left three (3) voicemail messages with the Company in an attempt to obtain the information.
4. The Company failed to respond to any of the Commissioner’s communications.
5. The WVOIC Legal Division initiated the instant proceeding and served an Administrative Complaint on the Company alleging that the Company violated the PEO statute and Rules by not responding to the Commissioner’s request for information. The relief requested

in the Administrative Complaint consisted of the revocation of the Company's PEO license or the payment of a penalty up to ten thousand dollars (\$10,000.00).

6. To resolve this matter the Company has agreed to the terms and entry of this Agreed Order.

#### CONCLUSIONS OF LAW

1. The WVOIC has jurisdiction over the subject matter of this action and over the Company pursuant to Chapter 33, Article 46A of the *West Virginia Code*, as amended.

2. W.Va. Code §33-46A-6(d) states, "Within twenty days of its execution, every professional services agreement shall be filed with the commissioner. Such agreements are confidential by law and privileged, are not subject to the provisions of chapter twenty-nine-b [§§ 29B-1-1 et seq.] of this code, and are not open to public inspection".

3. Pursuant to W.Va. Code R. §114-85-8.1, the Commissioner may request information, perform an investigation and audit and review documents necessary to determine whether the Company has violated the law.

4. Pursuant to W.Va. Code R. §114-85-8.2, the Company shall respond to any requests for information and comply with any investigations that are initiated by the Commissioner.

5. W. Va. Code §33-46A-8(c) states that if a PEO has violated any lawful rule or order of the commissioner or any provision of the laws of this state, the Commissioner may suspend or revoke the license of the PEO.

6. W. Va. Code § 33-46A-8(f) and W.Va., Code R § 114-85-12.1 state that if the Commissioner finds that any licensed PEO has violated any provision of this rule or any provisions in W.Va. Code § 33-46A-1 et seq., the Commissioner may, in lieu of suspension or revocation, order the PEO to pay a penalty in a sum not to exceed ten thousand dollars (\$10,000.00). If the

PEO fails to pay the penalty within thirty days after notice of the penalty, the Commissioner may revoke or suspend the license of the PEO.

7. The Company has admitted and consented to the jurisdiction of the WVOIC, to the foregoing Findings of Fact and these Conclusions of Law and agree to the entry of this Agreed Order.

8. The Company is aware of its right to notice and a hearing at which it may be represented by counsel, present evidence, and examine witnesses. The Company understands and stipulates that by agreeing to entry of this Agreed Order the Company irrevocably waives any and all rights to such notice and hearing and to any court appeals relating to this Agreed Order.

9. Nothing in this Agreed Order shall prevent the WVOIC from taking additional action against the Company if the WVOIC determines that the Company continues to violate West Virginia law, this Agreed Order or prior orders regarding the Company. This Agreed Order shall conclude and resolve Administrative Proceeding Number 22-IC-02012.

10. The Company acknowledges that this Agreed Order is the result of an administrative action and that the WVOIC will report the proceedings and the Agreed Order to the National Association of Insurance Commissioners (“NAIC”). The Company further acknowledges that it may be required to report this action to regulatory authorities in other jurisdictions where the Company is licensed or conducts its business, and that fulfilling such requirements is solely the responsibility of the Company.

#### ORDER

The Company agrees and stipulates that it will refrain from contesting the allegations in this proceeding and the Company further consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings.

It is, therefore, **ORDERED** that C2 Essentials shall, within thirty (30) days of the entry of this AGREED ORDER, pay to the WVOIC a civil penalty in the amount of One Thousand Dollars (\$1,000.00).

ENTERED this the 19<sup>th</sup> day of December 2022.

  
ALLAN L. MCVEY  
Insurance Commissioner

Prepared by:

  
Jeffrey C. Black (WVSB 8188)  
Associate Counsel/Attorney Supervisor  
Regulatory Compliance  
West Virginia Offices of the Insurance Commissioner

Reviewed and agreed to by:

  
C2 Essentials, Inc.

Scott D Parker  
Printed Name

CFO  
Title