

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matter of the License and Licensing
Rights of:
PARKER ROUSE CONRAD,
Respondent.

File No. BE201600691
**ORDER ADOPTING STIPULATION
AND WAIVER**

ORDER

The attached Stipulation and Waiver in this matter, executed by Respondent and Respondent's counsel on May 4, 2018, is fundamentally fair, reasonable, adequate, and in the interests of justice. Good cause appearing, the terms of the attached Stipulation and Waiver are hereby approved and adopted as the Order of the Insurance Commissioner of the State of California in this matter.

Dated: 9th May, 2018

DAVE JONES
Insurance Commissioner
Dave Jones

1 CALIFORNIA DEPARTMENT OF INSURANCE
2 LEGAL DIVISION
3 300 Capitol Mall, 17th Floor
4 Sacramento, California 95814
5 Telephone: (916) 492-3500
6 Facsimile: (916) 324-1883

7 Attorneys for Dave Jones,
8 Insurance Commissioner

9
10 **BEFORE THE INSURANCE COMMISSIONER**
11 **OF THE STATE OF CALIFORNIA**

12 In the Matter of the License and Licensing
13 Rights of:

14 File No. File No. BE201600691

15 **PARKER ROUSE CONRAD,**

16 **STIPULATION AND WAIVER**

17 Respondent.

18
19 **TO THE DEPARTMENT OF INSURANCE OF THE STATE OF CALIFORNIA:**

20 **PARKER ROUSE CONRAD ("Respondent"), does hereby enter this Stipulation and**
21 **Waiver in the above-entitled matter and stipulates as follows:**

22 1. Respondent acknowledges receipt of the Accusation, Statement to Respondent,
23 and Notice of Defense Form in the above-entitled matter.

24 2. Respondent, by entering into this Stipulation and Waiver, does not contest the
25 Commissioner's contention that, if proven, the facts alleged in the Accusation provide a basis for
26 imposition of discipline against his license and licensing rights pursuant to the California
27 Insurance Code provisions cited in said Accusation.

28 3. Respondent hereby waives Notice of Hearing and hearing, and all other rights that
may be accorded pursuant to Chapter 5, Part 1, Division 3, Title 2 (Sections 15000-11528,
inclusive) of the California Government Code and by the California Insurance Code.

MATTERS IN MITIGATION

4. In entering into the agreement set forth herein, the parties acknowledge the
existence of mitigating information concerning Respondent's conduct as to the underlying matters

1 alleged in the Accusation regarding his activities as a Chief Executive Officer (CEO), director,
2 and a controlling person of Your People, Incorporated also known as Zenefits FTW, Inc.
3 (Zenefits).

4 5. The parties acknowledge that the nature, scope, and terms of the agreement set
5 forth herein are, in part, based upon Respondent's voluntary inactivation of his license and his
6 representation that he is not currently transacting insurance in California. Respondent asserts that
7 he has no present need for, or intention to hold, an insurance producer license in California.

8 6. Respondent was the CEO and a controlling person of Zenefits during the time
9 Zenefits began its efforts to remediate and correct the violations alleged in the Accusation.
10 During Respondent's tenure as CEO of Zenefits, the company hired two nationally recognized
11 audit firms to assess the nature and magnitude of the alleged violations. Also, during
12 Respondent's tenure as CEO, Zenefits began the process of internal restructuring and the
13 implementation of internal procedures and controls that served to address the company practices
14 that resulted in the alleged violations.

15 7. With regard to the violations alleged in the Accusation, Respondent contends that
16 he relied upon direction and advice from counsel and more experienced individuals within
17 Zenefits' corporate structure.

18 8. Respondent represents that he, of his own volition, is not currently transacting
19 insurance in California. Furthermore, in accordance with his representation that he is not
20 transacting insurance and has no need for a license, and in an effort to show good faith in his
21 desire to cooperate and resolve this matter, Respondent voluntarily cancelled all of the
22 appointments he holds with insurers in the State of California, thereby rendering his California
23 insurance license inactive. Respondent represents that he does not currently exercise control with
24 respect to the transaction of insurance by any business entity in California.

25 IMPOSITION OF DISCIPLINE

26 9. Respondent agrees that he will voluntarily surrender his inactive license for
27 cancellation pursuant to California Insurance Code Section 1708.

28 10. Respondent understands and acknowledges that California Insurance Code Section

1 1631 requires that an individual apply for, and receive, an insurance license in order to transact
2 insurance in California as defined in California Insurance Code Section 35.

3 11. Respondent agrees to pay the amount of sixty-six thousand dollars (\$66,000.00) to
4 reimburse the Insurance Commissioner for costs incurred in this matter. Respondent shall pay
5 this amount in full within 30 days after receiving an invoice from the California Department of
6 Insurance, Accounting Services Bureau.

7 12. In the event that Respondent chooses to submit a future license application to the
8 Department, Respondent agrees that the Commissioner may decide whether to grant or deny any
9 such application, with or without a hearing.

10 13. Respondent acknowledges, understands, and agrees that he cannot transact
11 insurance in California, either directly in his name or indirectly by managing or directing the
12 transaction of insurance by any other California licensee, without first applying for and obtaining
13 a license to transact insurance from the Department.

14 14. Respondent agrees to cooperate in good faith with any investigation or
15 enforcement action that the Department may pursue against others in connection with the
16 underlying matters alleged in the Accusation.


17 15. Respondent understands that the validity of this agreement is subject to approval
18 by the Commissioner as provided in California Insurance Code section 12921.

19 16. Respondent acknowledges that this Stipulation and Waiver is freely and
20 voluntarily executed by Respondent and, after consultation with counsel, is being executed with
21 full realization of the legal rights and responsibilities set forth herein.

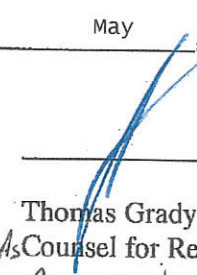
22 Respondent declares under penalty of perjury under the laws of the State of California that
23 the foregoing is true and correct, and executes this document at San Francisco

(city)

24
25 California, on the 4th day of May, 2018

26 DocuSigned by:
27 
249E392161E241D...

28 Parker Rouse Conrad
Respondent


Thomas Grady
As Counsel for Respondent

Approved as to form