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2013 AUG 29 P 2:09

AZ CORP COMMISSION
DOCKET CONTROL

August 28, 2013

Via Overnight Delivery

Docket Control Center
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: Wholesale Carrier Services, Inc.
Docket No. T-04110A-11-0422; Decision No. 73831 - Surety Bond Copies

Dear Sir or Madam:

Pursuant to the Order issued in the above referenced Docket Number, enclosed for filing are thirteen (13) copies of a surety bond in the amount of \$125,000.00, submitted on behalf of Wholesale Carrier Services, Inc. The original bond is being submitted to the Commission's Business Office under separate cover.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Any questions you may have regarding this filing should be directed to my attention at 407-740-3006 or via email to croesel@tminc.com. Thank you for your assistance in this matter.

Sincerely,

Carey Roesel
Consultant to Wholesale Carrier Services, Inc.

cc: Crystal Rodriguez - WCS
file: WCS - AZ Local
tms: AZL1201c

Enclosures
CR/gs

Arizona Corporation Commission
DOCKETED
AUG 29 2013

DOCKETED BY **NR**

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: **John D. Weisbrot, Patricia A. Tinsman, Richard A. Bredow*******

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$2,500,000.00, Two-million five hundred thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.



LEXON INSURANCE COMPANY

BY *David E. Campbell*
David E. Campbell
President

ACKNOWLEDGEMENT

On this 21st day of September, 2009, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Maureen K. Aye
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Woodridge, Illinois this 29th Day of May, 2013.



Philip G. Lauer
Philip G. Lauer
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

LEXON INSURANCE COMPANY
FINANCIAL STATEMENT SUMMARY
 As of December 31, 2012

ASSETS	LIABILITIES
Bonds	Reserve for Losses and Loss Expense
\$42,206,968	\$34,757,067
Money Market &/or Stocks	Reinsurance payable on paid losses
14,540,167	418,429
Real Estate	Reserve for Unearned Premiums
9,652,019	27,579,327
Cash and Short-Term Investments	Reserve for Other Expenses
9,239,523	1,012,349
Other Invested Assets	Reserve for Taxes, Licenses, and Fees
0	908,140
Agents' Balances &/or Uncollected Premiums	Reserve for Current Federal Income Taxes
8,408,768	0
Investment Income Due & Accrued	Ceded Reinsurance Premiums Payable
386,235	1,701,635
Cash Collateral Held	Funds Held Under Reinsurance Treaty
25,614,374	100,000
Funds Held or Deposited with Reinsurance Companies	Reserve for Unauthorized Reinsurance
0	0
Receivable from Parent, Subsidiaries and Affiliates	Payable to Parent, Subsidiaries and Affiliates
2,719,558	77,923
Reinsurance Recoverable on Loss Payments	Collateral Held
1,174,708	25,614,374
Aggregate write-ins for other than Invested Assets	Other Liabilities
14,451,696	0
Other Assets	Total Liabilities
7,748,923	\$92,169,244
Total Assets	POLICYHOLDERS' SURPLUS
\$136,142,939	Capital Stock & Paid In Surplus
	\$25,823,403
	Surplus
	18,150,292
	Total Policyholder Surplus
	\$43,973,695
	Total Liabilities & Policyholder Surplus
	\$136,142,939

CERTIFICATE

I certify that the above financial statements to the best of my knowledge are a true and accurate reflection of the financial condition of the Company as of December 31, 2012. Additionally, I certify that the above financial statements are in agreement with the Statutory Financial Statements filed with the Texas Department of Insurance as of the same date.

Gregory Lauer
 Gregory Lauer
 CFO, Secretary, VP & Assistant Treasurer

SUBSCRIBED
 and sworn to me this 6 day of MARCH 2013.

My commission expires: JANUARY 13, 2017

Karen L. Blanton
 Karen L. Blanton
 Notary Public
 Printed Name



POWER OF ATTORNEY

LX - 126909

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that LEXON INSURANCE COMPANY, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: John D. Weisbrot, Patricia A. Tinsman, Richard A. Bredow*****

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of LEXON INSURANCE COMPANY on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$2,500,000.00, Two-million five hundred thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, LEXON INSURANCE COMPANY has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.



LEXON INSURANCE COMPANY

BY [Signature] David E. Campbell President

ACKNOWLEDGEMENT

On this 21st day of September, 2009, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of LEXON INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

OFFICIAL SEAL MAUREEN K. AYE Notary Public, State of Illinois My Commission Expires 09/21/13

[Signature] Maureen K. Aye Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of LEXON INSURANCE COMPANY, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Woodridge, Illinois this 24th Day of June, 2013.



[Signature] Philip G. Lauer Assistant Secretary

WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.