



December 3, 2008

**URGENT – Immediate Attention Required**

Brooke Franchisees/Former Franchisees

**RE: Preservation of Evidence – Document Retention Notice**

The Missouri Department of Insurance, Financial Institutions and Professional Registration (hereinafter referred to as “Department”) is conducting a regulatory investigation of the events that led to the current hazardous financial condition of the Brooke Corporation. This formal investigation has been opened to monitor the financial condition of the Brooke Corporation and to assist Missouri policyholders and consumers. You have been identified as a Brooke Corporation franchisee or former franchisee.

Section 374.190, Revised Statutes of Missouri, empowers the department to conduct such investigation.

You are hereby given notice not to destroy, conceal or alter any information, whether it be in the form of paper documents or electronic data generated by or stored on any computer or computer storage media that relate in any manner to the following regarding Brooke Corporation or its affiliates:

1. Insurance policies/policyholder records;
2. Contracts between franchisees and Brooke Corporation or its affiliates;
3. Contracts between managing general agents (MGAs) and Brooke Corporation or its affiliates;
4. Contracts between insurance carriers and Brooke Corporation or its affiliates;
5. Accounting and banking records;
6. Employment records;
7. Advice/recommendations from consultants or advisors;
8. Financial information related to premium amounts received from Brooke Franchisees and/or premium finance companies and/or any other source;
9. Premium trust account records;
10. Any and all other information which pertains to the subject matter herein.

Preservation of such documents and data shall include all documents in your possession, custody or control and shall include all documents and data created subsequent to this Notice.

Failure to comply with this Notice, whether through intentional acts or negligence, may result in sanctions for spoliation of evidence, as well as any and all other remedies available

under the law. Sanctions could include licensing discipline, monetary penalties and other action imposed by the regulatory administrative agency or by judicial remedy.

As used in this Notice, “you” or “your” refers to the named individual or entity stated above as the addressee and any predecessors, successors, assigns, heirs, parent companies, subsidiaries, divisions or affiliates and their respective officers, directors, agents, attorneys at law, accountants, employees, partners and other persons occupying similar positions or performing similar functions.

By way of illustration and not by limitation, all paper documents that relate in any manner to this regulatory investigation shall be preserved. Note that even where hard-copy documents exist, the Department may still seek the same information in an electronic format simultaneously. Electronic data to be preserved includes, but is not limited to, electronic mail (e-mail), databases, word processing files and any and all other electronic data containing any information relevant to this subject matter.

You shall observe and undertake the following procedures in order to maintain potentially relevant data:

1. **Preservation Requires Immediate Intervention.** You must act immediately to preserve potentially relevant information.

2. **Suspension of Routine Destruction.** You are directed to initiate immediately a hold for potentially relevant information, documents and tangible things and to act diligently and in good faith to secure and audit compliance with such hold. You are further directed to immediately identify and modify or suspend features of your record retention policy and your information systems and devices that, in routine operation, operate to cause the loss of potentially relevant information. Examples of such features and operations may include:

- (a) Purging the contents of e-mail repositories by age, capacity or other criteria;
- (b) Using data or media wiping, disposal, erasure or encryption utilities or devices;
- (c) Overwriting, erasing, destroying or discarding back up media;
- (d) Re-assigning, re-imaging or disposing of systems, servers, devices or media;
- (e) Running antivirus or other programs effecting wholesale metadata alteration;
- (f) Releasing or purging online storage repositories;
- (g) Using metadata stripper utilities;
- (h) Disabling server or IM logging; and,
- (i) Executing drive or file defragmentation or compression programs.

3. **Preservation in Native Form.** You shall preserve information in native form and you should not select methods to preserve information that might remove or degrade the

ability to search information by electronic means and make it difficult or burdensome to access or use the information in an efficient manner.

4. **Home Systems, Laptops, Online Accounts and Other Information Venues.**

You shall determine if any home or portable systems may contain potentially relevant information. To the extent that officers, Board members and employees have sent or received potentially relevant information away from the business premises, you must act to preserve the contents of systems, devices and media used for such purposes (including any relevant information from portable and home computers, thumb drives, disks, phones, voice mailboxes and any other form of electronically stored information.) Similarly, if officers, Board members and employees use online or browser based e-mail accounts or services in order to send or receive potentially relevant messages and attachments, the contents of these mailboxes should be preserved.

Your preservation obligations extend beyond the information in your care and possession. These obligations include any information in the custody of others, who are subject to your direction or control. Accordingly, you must notify any current or former agent, attorney, employee, custodian or contractor in possession of potentially relevant information to preserve such information to the full extent of your obligation. You must take reasonable steps to secure their compliance.

Investigators appointed by this office may contact you at a later date to request the production of information and make the necessary arrangements for inspection. Your cooperation is appreciated. You are hereby directed to confirm to me, in writing, by December 15, 2008, that you have taken the necessary actions outlined in this letter to preserve all information potentially relevant to this regulatory investigation. Any questions or comments may be directed to Carrie Couch, who may be reached at (573) 751-2640.

Thank you for your time and consideration.

Respectfully,

LINDA BOHRER  
Acting Director