

## December 12, 2025

### Board of Directors Meeting Minutes

A Board of Directors meeting for the Surplus Lines Stamping Office of Texas was held in-person at the SLTX Office, 1601 E. Pflugerville Parkway, Pflugerville, TX, 78660.

#### AGENDA

| December 12, 2025<br>Board of Directors Meeting Agenda |  |  |
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| Item 1.  | Call to order; Establishment of Quorum   | Lezlee Liljenberg,<br>Board Chair  |
| Item 2.  | Discussion and approval of previous meeting minutes<br>– October 30, 2025 Meeting Minutes  | Lezlee Liljenberg,<br>Board Chair  |
| Item 3.  | Discussion and Appropriate Action:<br>– Finance & Audit Committee Report, and YTD Financial Review   | Jason Cables,<br>Committee Chair;<br>Ronnie Ford,<br>Director of Finance |
| Item 4.  | Discussion and Appropriate Action:<br>– Cyber Insurance Policy Renewal<br>– Crime Insurance Policy Renewal   | Greg Brandon,<br>Executive Director                                      |
| Item 5.  | Discussion and Appropriate Action:<br>– Executive Director Update  | Greg Brandon,<br>Executive Director                                      |
| Item 6.  | Discussion and Appropriate Action:<br>– Policy Intake & Analysis Director Update   | Toby Pick,<br>Director of Policy<br>Intake & Analysis                    |
| Item 7.  | Discussion and Appropriate Action:<br>– ITS Director Update  | Sholonda Stone,<br>Director of ITS                                       |
| Item 8.  | Executive Session<br>– Discussion and deliberation of the performance, compensation, and benefits of the Executive Director of the Surplus Lines Stamping Office of Texas (Personnel matters Texas Govt. Code §551.074).<br>– Discussion and review of General Counsel contract (Consultations with Attorney - Texas Govt Code §551.071(2)). | Lezlee Liljenberg,<br>Board Chair  |
| Item 9.  | Board Vote on Executive Session Items<br>– Discussion and appropriate action regarding the performance, compensation, and benefits of the Executive Director of the Surplus Lines Stamping Office of Texas.<br>– Discussion and appropriate action regarding General Counsel contract.   | Lezlee Liljenberg,<br>Board Chair  |
| Item 10.   | Adjournment  | Lezlee Liljenberg,<br>Board Chair  |

#### Item 1. Call to Order | Lezlee Liljenberg, Board Chair

Lezlee Liljenberg, Chair of the Board of Directors, called the meeting to order on December 12, 2025, at 11:15 A.M.

A conference call-in number was included in the Public Meeting Notice. Written notice of the meeting was sent to the Texas Department of Insurance, including the Deputy Commissioner of the Financial Regulation Division and her designees on December 2, 2025, in accordance with the SLTX Plan of Operation, Section 2(c)(2). Notice and agenda were also submitted to the Office of the Secretary of State on December 5, 2025, in compliance with the Texas Open Meetings Act. All board members were notified on November 14, 2025.

Liljenberg called roll to establish a quorum, as required by Section 2 (c)(6) of the Plan.

#### BOARD OF DIRECTORS PRESENT

Lezlee Liljenberg

Jeff Klein, via Teams  
Leah Bennett  
Ryan Bridges  
Jim Bishop, via Teams  
Jason Cables

### **ALSO PRESENT**

Greg Brandon, Executive Director, SLTX  
Denisse Amezcua, Director of Human Resources, SLTX  
Sholonda Stone, Director of ITS, SLTX  
Ronnie Ford, Director of Finance, SLTX  
Toby P., Director of Policy Intake & Analysis, SLTX  
Cathy H., Lead Analyst, SLTX  
Sharmila S., UAT Lead, SLTX, via Teams  
Jeff McWhirt, General Counsel, Mitchell Williams, Selig, Gates & Woodyard, PLLC, via Teams  
Paul Rainey, TSLA Liaison, RSI International, Inc., via Teams  
Andrew Guerrero, Company Licensing & Registration Office, Texas Department of Insurance  
David Dodd, Office of Financial Counsel, Texas Department of Insurance

Minutes taken by SLTX Staff.

Administrative housekeeping announcements:

1. Antitrust activity or discussion are prohibited at all Stamping Office functions. This prohibition includes exchange of information concerning individual company rates, coverages, market practices, claims settlement practices, expenses, or any other competitive aspect of an individual company's operation.
2. No public comments. Public and media attendees should mute lines.
3. Representatives of state agencies and members of the public are welcome to observe or record but refrain from asking questions or making comments.
4. State personnel present may be asked questions related to an agenda item.
5. Members, counsel, and staff participating by phone should identify themselves and mute lines.

### **Item 2. Discussion and Approval of Previous Meeting Minutes: October 30, 2025, Meeting Minutes | Lezlee Liljenberg, Board Chair**

Board members received a copy of the October 30, 2025, meeting minutes. With no questions or comments, Liljenberg asked for a motion for approval on minutes.

**Motion: Bridges | Second: Cables | Approved Unanimously**

### **Item 3. Discussion and Appropriate Action: Finance & Audit Committee Report and YTD Financial Review | Jason Cables, Committee Chair | Ronnie Ford, Director of Finance**

Cables gives overview of committee discussions and opens floor to Ms. Ford to go over YTD financials.

#### **2025 YTD Financial Review**

**Stamping Fee** – 6% or \$37,698 under budget for November; 1% or \$36,010 over YTD.

**Investment Income** – 16% or \$15,627 over budget for November; 16% or \$178,478 over budget YTD.

**Operating Expenses** – 17% or \$111,949 over budget for November; 11% or \$971,169 under YTD.

**Salaries and Benefits** – 23% or \$90,051 under for November; 12% or \$688,905 under budget YTD. Due lower than anticipated annual pension payment and recent staff head count change.

**Professional Services** – 21% or \$6,662 under budget for November; 5% or \$49,016 under budget YTD.

**Conference and Education** – 58% or \$1,489 under budget for the month; 56% or \$49,016 under YTD.

**Travel and Entertainment** – 63% or \$2,261 under budget for November; 50% or \$44,354 under YTD due to timing and quantity of conferences.

**Occupancy and Operating** – 16% or \$5,149 over budget for November; 2% or \$6,311 under budget YTD due to reclassification of actual lease expense per GAD 87.

**General and Administrative** – 8% or \$13,450 under budget for November; 6% or \$109,777 under YTD.

**Contingency** – unused which resulted in \$3,184 savings for the month and \$43,408 savings YTD.  
**Operating Income** – \$89,878 or 121% over budget for November; budgeted loss of (\$543,425) with actual gain of \$642,232 or variance of \$1,185,657 or -218%. Change in investment value was an increase of \$5,471 for November and \$336,509 increase YTD.

**Fund Balance** - SLTX went into 2025 with a beginning fund balance of \$32.2 million. November YTD net income of \$978,741 resulted in a fund balance of \$33.2 million on November 30, which is \$18.7 million over current maximum. Projected year-end maximum fund balance is \$32.7 million, still 14.5 million over the limit. Currently \$4.2 million over projected maximum fund balance.

**Conclusion:** Liljenberg asked if there were any questions or recommendations. There were none.

#### **Item 4. Discussion and Appropriate Action: Cyber and Crime Insurance Policy Renewal | Greg Brandon, Executive Director**

Brandon provided Plan of Operation Requirement and overview of Cyber & Crime Insurance policies up for renewal.

Per the Plan of Operation Section 3(a)(8): The stamping office must prepare a detailed summary of bonds and insurance policies to include coverage, policy dates, premium, and limits for review and approval by the board at the third-quarterly board meeting and prior to procurement or renewal.

**Cyber Liability Policy** – Current policy expires January 7, 2026. Current premium is \$15,783, covering \$3 million on primary and \$2 million on excess with a \$50,000 deductible. 2026 renewal premium is \$15,778, with same coverages and deductible, relatively flat renewal.

**Crime Policy** – Currently in three-year policy with expiry of 01/07/2026. Current premium for 2023 through 2026 is \$5,686 with a renewal premium of \$5,779 for 2026 through 2029, covering employee theft, computer, and funds transfer fraud; used in lieu of fidelity bond for retirement programs.

**Conclusion:** Liljenberg asked if there were any questions or recommendations. Brandon recommended the Board renew the cyber liability insurance, primary and excess policies, and three-year crime policy as presented.

**Motion: Klein | Second: Bennett | Approved Unanimously**

#### **Item 5. Discussion and Appropriate Action: Executive Director Update | Greg Brandon, Executive Director**

Brandon presented the Executive Director Report.

**Organization Structure** – The year was marked by resilience and adaptability from the team, especially in light of personal and professional challenges.

**Premium** – Total premiums through November reached \$16.7 billion, surpassing total in 2024, indicating a record premium year.

**Item Count** – Item count for the year is approximately 1.3 million, with nearly every month setting a new record.

**Policy Count** – Policy count is nearly 873,000, also exceeding the previous year's total.

**Conclusion:** Brandon concluded the presentation. Liljenberg asked if there were any questions or recommendations. Brandon stated no.

#### **Item 6. Policy Intake Director Report & Appropriate Action | Toby Pick, Director of Policy & Intake Analysis**

Pick presented his report.

**Late Filing Premiums** – Total for 2025 through November: \$1.1 billion. January had highest late filing premiums at \$183.6 million; June had the lowest at \$33.5 million.

**Policy Audits** – Four audits were completed from April to October 2025. - A total of 67 individual agents or brokers were audited, reviewing 1,464 individual policies. The purpose of audits is to ensure compliance with Texas Surplus Lines statutes, regulations, and to maintain data integrity.

**Operations Team Updates** – Operations team demonstrated resilience and unity, especially after the loss of SLTX colleague, Cheyenne Herrera. The team continued to meet deadlines and achieve goals despite challenges.

**Lemon Light Update** – Cathy, Shantell, and Toby worked with LemonLight to create instructional videos, which are beneficial for external users who prefer visual content over lengthy manuals. Completed videos include topics such as policy or binder entry and are currently working on a video on how to change the agent of record on a policy in SMART. LemonLight is up for contract renewal in 2026.

**Conclusion:** Pick made a recommendation to renew the proposed LemonLight video contract for \$55,800 for 2026 as presented.

**Motion: Bennett | Second: Bridges | Approved Unanimously**

#### **Item 7. ITS Director Report & Appropriate Action | Sholonda Stone, Director of ITS**

Stone began the ITS Director Report.

**SMART System Update** – There are 1,028 open tickets in the backlog, which include ideas and requests from internal staff. Team is working on recreating tickets for the Update/Edit and Policy Audit. Originally, there were 177 tickets which have been reduced to 57 through consolidation from internal SMART session.

**SMART Releases** – Release 2505 was completed in November, which included:

- Addition of renewal certificate transaction types.
- Functionality updates for coverage relationships.
- Enhancements to the monthly policy and premium report.
- Allowing external users to update primary contact information independently.

Release 2506, team is considering partial release due to its complexity. This release will include:

- API filing adjustments.
- Report changes.
- Access to stamping fee payment history.
- Minor UI and contextual adjustments.

**Policy Audit Activation** - The policy audit feature will be activated in alignment with the standard process. Instead of a single large release, updates will be rolled out sporadically as they are completed to allow users to access new features sooner.

**External Smart Group Session** – The first external smart group session is scheduled for February 12, 2026. This session will focus on API filers who connect their systems to the organization's platform.

**ITS Team Update** - Year has been challenging due to absence of key team member, which required significant adjustments and pivots in project management. ITS team, in collaboration with Ops team, has shown remarkable resilience and adaptability navigating challenges throughout the year, focusing on improving processes and responding to stakeholder needs.

**Conclusion:** Stone concluded the presentation. Liljenberg asked if there were any questions or recommendations. Stone stated no.

#### **Item 8. Discussion and Appropriate Action: Executive Session**

Liljenberg announces adjournment of Open Session to convene closed Executive Session pursuant to Texas Open Meeting Act Government Code Section 551.074 to deliberate performance, compensation, and benefits of Executive Director of the Surplus Lines Stamping Office of Texas. Review and discussion of General Counsel contract with attorney will also take place pursuant to Texas Open Meeting Act Government Code Section 551.0712.

Only Board members, legal counsel, TDI representatives, and necessary executive staff will participate during Executive Session. Meeting to reconvene in Open Session after Executive Session to vote on Executive Session agenda items as appropriate. Open meeting is adjourned at 11:50 a.m.

#### **Item 9. Discussion and Appropriate Action: Board Vote on Executive Session Items**

Open Session reconvened at 12:36 p.m. Liljenberg called roll to determine participation pursuant to the Plan of Operation Section 2(c)(6) and determined a quorum present. Liljenberg asked if there were any comments or questions by the Board concerning closed agenda item regarding performance, compensation, and benefits of executive director of the Surplus Lines Stamping Office of Texas.

**Conclusion:** Liljenberg asks for motion to approve compensation and benefits for the Executive Director of the Surplus Lines Stamping Office of Texas, Greg Brandon, with payment of an annual bonus of 25% of 2025 salary with payment no later than December 31, 2025, a raise of 6.5% of annual salary, effective January 1, 2026, and payment of deferred compensation of \$24,500 plus \$8000 catch-up with payment made no later than January 31, 2026.

**Motion: Cables | Second: Bishop | Approved Unanimously**

Liljenberg asked if there were any comments or questions by the Board concerning closed agenda item regarding the review of the General Counsel contract. There were none.

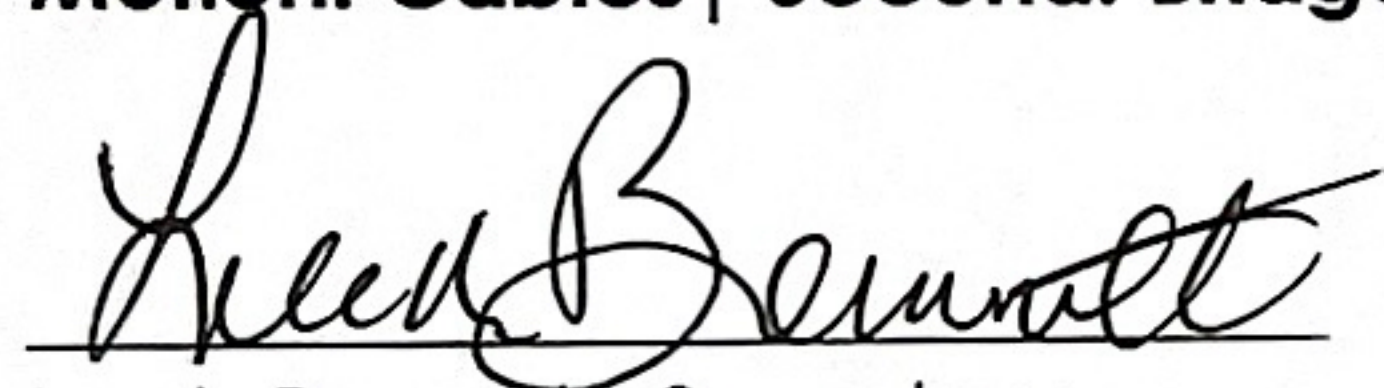
**Conclusion:** Liljenberg asks for a motion to approve the renewal of the General Counsel contract as discussed.

**Motion: Bennett | Second: Bishop | Approved Unanimously**

**Item 10: Adjournment | Lezlee Liljenberg, Board Chair**

There being no other business before the Board, Liljenberg requested a motion to adjourn the meeting. The meeting adjourned at 12:40 PM.

**Motion: Cables | Second: Bridges | Approved Unanimously**



Leah Bennett, Secretary