

DEC 9 2010

DEPT OF INSURANCE
BY

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:

SHIELDSTAR HOME
WARRANTY, LLC

Respondent.

No. 10A-184-INS

ORDER TO CEASE
AND DESIST

The Arizona Department of Insurance ("Department") has received evidence that Respondent has unlawfully offered or issued service contracts in the State of Arizona. Accordingly, the Director of Insurance of the State of Arizona (the "Director") makes the following Findings of Fact and Conclusions of Law and enters the following Order pursuant to A.R.S. §§ 20-1095.09(B).

FINDINGS OF FACT

1. ShieldStar Home Warranty, LLC ("Respondent" or "ShieldStar") is a New Jersey limited liability company that issues service contracts to Arizona residents. ShieldStar's addresses are: P.O. Box 8068, Red Bank, New Jersey 07701; and 119 Maple Avenue, Suite 201, Red Bank, New Jersey 07701.

2. SheildStar does not hold a permit to offer or issue service contracts in the State of Arizona.

3. ShieldStar is not exempt from the permit requirement.

4. On or about January 19, 2010, ShieldStar issued a home warranty service contract to Reginald Doughty ("Doughty"). On or about August, 2010, Doughty filed a Complaint with the Department stating that ShieldStar denied a claim he submitted for payment for repairs to his air conditioning unit.

5. On September 15, 2010, the Department's Consumer Affairs Division sent a letter to ShieldStar requesting that ShieldStar explain its position, on or before October 12,

1 2010, regarding the issues and allegations raised by the Doughty complaint and to name its
2 underwriter.

3 6. To date, ShieldStar has not responded to the Department's request for
4 information and documentation.

5 7. On November 3, 2010, the State of Washington, Office of Insurance
6 Commissioner issued an Order to Cease and Desist: In the Matter of ShieldStar LLC dba
7 ShieldStar Home Warranty, ShieldStar and www.shieldstar.com and David J. Cohen, Abe
8 Tobias and Albert Houlou aka Albert Houllou (Exhibit A).

9 **CONCLUSIONS OF LAW**

10 1. The Director has jurisdiction over this matter.

11 2. Respondent's conduct, as alleged above, constitutes offering and issuing
12 service contracts without a permit, within the meaning of A.R.S. § 20-1095.01(A).

13 3. Respondent is not exempt from the permit requirement, within the meaning of
14 A.R.S. § 20-1095.02(A).

15 4. Service company contracts issued by Respondent are enforceable and valid
16 contracts, within the meaning of A.R.S. §20-1095.05.

17 5. Grounds exist for the Director to order Respondent to cease and desist its
18 violation pursuant to A.R.S. § 20-1095.09(B).

19 **ORDER**

20 IT IS THEREFORE ORDERED:

21 1. Respondent shall immediately cease and desist from offering or soliciting
22 warranty service contract applications, taking or proposing to make any warranty service
23 contract, taking or receiving any application for warranty service contracts, taking or
24 collecting any premium, fees, commission, or any other consideration for any warranty
25 service contract, issuing or delivering warranty service contracts to residents of this state,
26 or otherwise offering or issuing service contracts to Arizona residents.

1 2. Respondent shall pay all valid claims arising out of acts covered by any and
2 all service contract issued by them to Arizona residents for so long as such claims may
3 legally be brought against the contract holders.

4 3. This Order shall become effective immediately and shall remain in full force
5 and effect until otherwise stayed, modified, vacated or set aside.

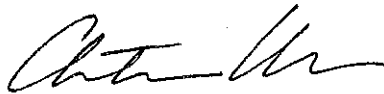
6 **NOTICE OF OPPORTUNITY FOR HEARING**

7 Pursuant to Title 20 of the Arizona Revised Statutes, Respondents are hereby
8 notified that they may request a hearing pursuant to A.R.S. § 20-161 to contest the order to
9 cease and desist. Such a request must be in writing and received at the following address
10 within thirty (30) days from the date hereof:

Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85012
ATTN: Director's Office

13 Upon receipt of a timely written request for hearing, the Director will issue an order
14 setting the time and place of the hearing.

15 DATED AND EFFECTIVE this 9th day of December, 2010.

17 

18

CHRISTINA URIAS, Director
Arizona Department of Insurance

19 COPY of the foregoing mailed this
20 9th day of ~~December, 2010~~ to:

21 Lynette Evans
22 Assistant Attorney General
1275 West Washington
23 Phoenix, Arizona 85007
Attorney for the Department

24 ShieldStar Home Warranty, LLC
25 P.O. Box 8068
Red Bank, New Jersey 07701
26 Respondent

1 ShieldStar Home Warranty, LLC
2 119 Maple Avenue, Suite 201
3 Red Bank, New Jersey 07701.
4 Respondent

4 Gerrie Marks, Deputy Director
5 Mary E. Kosinski, Exec. Assistant for Reg. Affairs
6 Catherine M. O'Neil, Consumer Legal Affairs Officer
7 Jack Sneathen, Property and Casualty Division
8 Charles Gregory, Investigations Supervisor
9 Arnold Sniegowski, Investigator
10 Department of Insurance
11 2910 North 44th Street, Suite 210
12 Phoenix, Arizona 85018

9
10 
11 Curvey Walters Burton

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26