

MAR 6 2015

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY MS

In the Matter of:

**CERTIFIED WARRANTIES
CORPORATION**

No. 15A-019-INS

Respondent.

**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 and engaged in unfair trade practices. 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. Certified Warranties Corporation ("CWC") is an Illinois corporation¹ that, at all times material, did not hold a permit with the Department as a service company.
2. CWC is not exempt from the permit requirement.
3. CWC's address of record with the Illinois Secretary of State is: 372 Whitewater Drive, #107, Bolingbrook, IL 60440.
4. David S. Willer ("Willer") is CWC's owner and President.
5. CWC's website at <http://www.homecertifiedwarranties.com> indicates that Certified Warranties Corporation has suffered financial difficulties and has filed bankruptcy however the DOI is unable to locate a bankruptcy filing for the Respondent.

¹ The Illinois Department of Business Services reports that CWC is has been voluntarily dissolved and is currently inactive as a corporation.

1 6. CWC has been unresponsive to the Department inquiries and other attempts
2 to contact them.

3 **ILLINOIS ORDER TO IMMEDIATELY CEASE AND DESIST**

4 7. On or about October 17, 2014, the State of Illinois, Department of Insurance
5 ("IDOI"), filed an Order to Cease and Desist operation in the state of Illinois, In the Matter of
6 Certified Warranties Corporation ("Illinois Order"). The IDOI sent the Illinois Order to
7 company president David S. Willer.

8 8. The Illinois Order listed CWC's address as: 377 E. Butterfield Rd, Suite 910,
9 Lombard, IL 60148, 18W140 Butterfield Rd., 15th Floor, Oak Brook Terrace, IL 60181-4843,
10 and CWC's Registered Agent address as 500 N. Michigan Ave., Ste. 600, Chicago, IL
11 60611.

12 **SANABIA COMPLAINT**

13 9. On or about June 2, 2014, CWC issued a one-year home warranty service
14 contract to Victor M. Sanabia ("Sanabia") under CWC Reference number 7755245.
15 Sanabia made one payment on the contract of \$495. On November 13, 2014, Sanabia
16 filed a complaint with the Department stating that he attempted to file a claim for a loss
17 occurring to his home however CWC's website claims that CWC has filed bankruptcy.
18 Sanabia states that he was misled by CWC and that the company failed to provide the
19 services he paid for and that he has been unable to secure a refund of the premium he paid
20 to CWC.

21 **GOBER COMPLAINT**

22 10. On or about September 15, 2014, CWC issued a one-year home warranty
23 service contract to Phillip Gober ("Gober") under CWC Reference number 8116478. Gober
24 made one payment on the contract totaling \$495. On October 30, 2014, Gober attempted
25 to file a claim and found that CWC's phone numbers were disconnected. On October 30,
26

1 2014, Gober filed a complaint with the Department stating that CWC accepted his payment
2 but failed to provide coverage under their contract.

3 **ALBERTY COMPLAINT**

4 11. On or about August 29, 2014, CWC issued a one-year home warranty service
5 contract to Julie Alberty ("Alberty") under CWC Reference number 8050785. Alberty made
6 one payment on the contract in the amount of \$495. On December 11, 2014, Alberty filed a
7 complaint with the Department stating that she had contacted CWC regarding a loss
8 occurring between November and December 2014. Alberty states that she went online to
9 obtain CWC's contact information to file a claim however CWC's website claims that CWC
10 was experiencing financial difficulty and has filed bankruptcy. Since that time, Alberty has
11 been unable to reach CWC to file a claim or to obtain a refund of the premium she paid.

12 **WELLS COMPLAINT**

13 12. On or about August 5, 2014, Tara Wells ("Wells") purchased a one-year home
14 warranty service contract from CWC under CWC Reference number 7992580. Wells paid
15 \$495 for the contract. On January 6, 2015, Wells filed a Complaint with the Department
16 stating that CWC has filed for bankruptcy and failed to provide services and failed to refund
17 the \$495 paid for the service contract.

18 **JONES COMPLAINT**

19 13. On or about July 10, 2014, CWC issued a home warranty service contract to
20 Lewis Latham Jones III ("Jones") under CWC Reference number 7870704. Jones paid
21 \$495 for the contract. On December 29, 2014, Jones filed a Complaint with the Office of
22 the Arizona Attorney General. The Office of the Arizona Attorney General forwarded
23 Jones' complaint to the Department for investigation. Jones' complaint states that CWC
24 has filed for bankruptcy and that he has been unable to reach CWC to file a claim or secure
25 a refund of the premium he paid.
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LITZAU COMPLAINT

14. On or about March 12, 2014, CWC issued a home warranty service contract to Elizabeth Litzau ("Litzau"). Litzau paid \$495 for the contract. On February 2, 2015, Litzau filed a Complaint with the DOI. Litzau's complaint states that CWC has filed for bankruptcy and that she has been unable to reach CWC to secure a refund of the premium.

HANIGAN COMPLAINT

15. On or about January 15, 2015, CWC issued a home warranty service contract to Stephanie Elmo-Hanigan ("Hanigan") under CWC Reference number 7781502. Hanigan paid \$495 for the contract. Hanigan's complaint states that CWC has filed for bankruptcy and that she has been unable to reach CWC to file a claim for a dishwasher loss and to secure a refund of the premium she paid.

CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.
2. Respondent's conduct, as alleged above, constitutes offering and issuing service contracts without a permit, within the meaning of A.R.S. §20-1095.01(A).
3. Service company contracts issued by Respondent are enforceable and valid contracts, within the meaning of A.R.S. §20-1095.05.
4. Respondent's conduct, as alleged above, constitutes the failure to perform the services promised under the service contract within a reasonable time and in a competent manner, which is an unfair trade practice within the meaning of A.R.S. § 20-1095.09(A)(4).
5. Grounds exist for the Director to order Respondent to cease and desist its violations pursuant to A.R.S. § 20-1095.09(B).

1 ORDER

2 IT IS THEREFORE ORDERED:

3 1. Respondent shall immediately cease and desist from offering or soliciting
4 warranty service contract applications, taking or proposing to make any warranty service
5 contract, taking or receiving any application for warranty service contracts, taking or
6 collecting any payment, fees, commission, or any other consideration for any warranty
7 service contract, issuing or delivering warranty service contracts to residents of this state,
8 or otherwise offering or issuing service contracts to Arizona residents by any means
9 including through an online website.

10 2. Respondent shall immediately contact the Department and provide its current
11 contact information.

12 3. Respondent shall, within forty-five (45) days of receipt of this Order, furnish
13 the Department with a complete listing, to include contact information, of all Arizona
14 residents and business who have purchased policies or service contracts sold by
15 Respondent. Respondent shall also report to the Department all premiums collected or
16 charged for policies they sold covering Arizona risks.

17 4. Respondent shall immediately contact the Department and provide a list of all
18 current outstanding claims.

19 5. Respondent shall be responsible for continuing to service all currently active
20 service contracts and any claims made by its contract holders in Arizona.

21 6. Respondent shall pay all valid claims arising out of acts covered by any and
22 all service contract issued by it to Arizona residents for so long as such claims may legally
23 be brought against the contract holders including any other heretofore undiscovered
24 victims.

25 7. This Order shall become effective immediately and shall remain in full force
26 and effect until otherwise stayed, modified, vacated or set aside.

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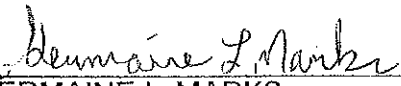
NOTICE OF OPPORTUNITY FOR HEARING

Pursuant to Title 20 of the Arizona Revised Statutes, Respondent is hereby notified that they may request a hearing pursuant to A.R.S. § 20-161 to contest the order to cease and desist. Such a request must be in writing and received at the following address 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

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

DATED AND EFFECTIVE this 5th day of March, 2015.


GERMAINE L. MARKS
Director of Insurance

COPY of the foregoing mailed this 6th day of March, 2015, to:

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

Certified Warranties Corporation
377 E. Butterfield Road, Suite 910
Lombard, IL 60148
Respondent

Certified Warranties Corporation
One Lincoln Centre, 15th Floor
Oak Brook Terrace, IL 60181
Respondent

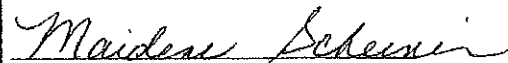
1 Certified Warranties Corporation
18W140 Butterfield Road, 15th Floor
2 Oak Brook Terrace, IL 60181
Respondent

3 Certified Warranties Corporation
4 c/o UCSA, Registered Agent
500 N. Michigan Avenue, Ste. 600
5 Chicago, IL 60611
Statutory Agent for Respondent

6
7 David S. Willer
372 Whitewater Drive #107
8 Bolingbrook, IL 60440
Respondent

9
10 David S. Wiler
346 Danbury Drive
Naperville, IL 60565
11 Respondent

12 Darren T. Ellingson, Deputy Director
13 Mary E. Kosinski, Exec. Assistant for Reg. Affairs
Yvonne Hunter, Assistant Director Consumer Affairs
14 Catherine M. O'Neil, Consumer Legal Affairs Officer
Erica Bowsher, Property and Casualty Division
15 Charles Gregory, Investigations Supervisor
Gloria Barnes-Jackson, Investigator
16 Department of Insurance
2910 North 44th Street, Suite 210
17 Phoenix, Arizona 85018

18
19 
20 Maidene Scheiner