

STATE OF ARIZONA

MAR 1 2016

DEPARTMENT OF INSURANCE DEPT OF INSURANCE
BY MS

In the Matter of:

**RESIDENTIAL WARRANTY
SERVICES, INC.**

Respondent.

No. 16A-040-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 and engaged in offering and issuing service contracts without a permit. Accordingly, the Interim Director of Insurance of the State of Arizona ("Interim 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. Residential Warranty Services, Inc. ("RWS") is an Arizona corporation¹ that, at all times material, did not hold a permit with the Department as a service company.
2. RWS is not exempt from the permit requirement.
3. RWS's address of record with the Arizona Corporation Commission is: 698 Pro Med Lane, Carmel, IN 46032.
4. Phillip Nathan Thornberry ("Thornberry") is the President and sole-identified Director of RWS.
5. On or about February 5, 2016, the Department received information that the Respondent sold two (2) policies to a contract holder in Tucson, Arizona, to wit: policy

¹ Per the Arizona Corporation Commission's ("ACC") public database, RWS is domiciled in Indiana. The ACC approved RWS's "Application for Authority to Transact Business or Conduct Affairs in Arizona" on 02/14/2013.

1 number 061921666 sold on or about November 12, 2013, and policy number 072108458
2 sold on or about November 12, 2014.

3
4 **CONCLUSIONS OF LAW**

- 5 1. The Interim Director has jurisdiction over this matter.
- 6 2. Respondent's conduct, as alleged above, constitutes offering and issuing
7 service contracts without a permit, within the meaning of A.R.S. §20-1095.01(A).
- 8 3. Service company contracts issued by Respondent are enforceable and valid
9 contracts, within the meaning of A.R.S. §20-1095.05.
- 10 4. Grounds exist for the Interim Director to order Respondent to cease and
11 desist its violations pursuant to A.R.S. § 20-1095.09(B).

12 **ORDER**

13 IT IS THEREFORE ORDERED:

- 14 1. Respondent shall immediately cease and desist from offering or soliciting
15 warranty service contract applications, taking or proposing to make any warranty service
16 contract, taking or receiving any application for warranty service contracts, taking or
17 collecting any payment, fees, commission, or any other consideration for any warranty
18 service contract, issuing or delivering warranty service contracts to residents of this state,
19 or otherwise offering or issuing service contracts to Arizona residents by any means
20 including through an online website.
- 21 2. Respondent shall immediately contact the Department and provide its current
22 contact information.
- 23 3. Respondent shall, within forty-five (45) days of receipt of this Order, furnish
24 the Department with a complete listing, to include contact information, of all Arizona
25 residents and businesses who have purchased policies or service contracts sold by
26 Respondent. Respondent shall also report to the Department all premiums collected or
charged for policies it sold covering Arizona risks.

1 COPY of the foregoing mailed this
2 1st day of March, 2016, to:

3 Lynette Evans
4 Assistant Attorney General
5 1275 West Washington Street
6 Phoenix, Arizona 85007
7 Attorney for the Department

8 Residential Warranty Services, Inc.
9 698 Pro Med Lane
10 Carmel, IN 46032
11 Respondent

12 Phillip Nathan Thornberry, President
13 Residential Warranty Services, Inc.
14 698 Pro Med Lane
15 Carmel, IN 46032
16 Respondent

17 Alix Vollmer, Corporate Counsel
18 Residential Warranty Services, Inc.
19 P.O. Box 797
20 Carmel, IN 46082
21 Respondent

22 Residential Warranty Services, Inc.
23 %o Incorp Services Inc., Registered Agent
24 2338 West Royal Palm Road, Suite J
25 Phoenix, AZ 85021
26 Statutory Agent for Respondent

Mary E. Kosinski, Exec. Assistant for Reg. Affairs
Catherine M. O'Neil, Consumer Legal Affairs Officer
Erica Bowsher, Property and Casualty Division
Charles Gregory, Investigations Supervisor
Wendy Greenwood, Investigator
Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

25 
26 Maidene Scheiner